

**Village of Walden
Board of Trustees Meeting
October 24, 2006**

Mayor Becky Pearson called the meeting of the Village of Walden Board of Trustees to order at 6:30 PM.

On roll call the following were:

Present:	Mayor	Becky Pearson
	Deputy Mayor	Mary Ellen Matisse
	Trustees	Roy Wynkoop Mary Jean Norman Richard Hurd Edmund Leonard

Absent:	Trustee	Jose DeJesus, later present
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Also Present:		James Politi, Village Manager Nancy Mitchell, Village Clerk Kevin Dowd, Village Attorney
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Public Hearing – Introductory Local Law No. I-7 of 2006-“Vehicles and Traffic”

Mayor Pearson presented the Affidavit of Publication, Affidavit of Posting Notice and Notice of Hearing, which was read by the Mayor.

Deputy Mayor Matisse asked if the Board had a corrected copy of this local law.

Manager Politi stated that the final copy, Section 141-16 says added, not repealed.

There were no comments from the public.

Deputy Mayor Matisse moved to close the public hearing. Seconded by Trustee Leonard. All ayes. Public hearing closed.

Deputy Mayor Matisse moved to declare the Board of Trustees lead agency and declare a negative declaration in regards to SEQRA. Seconded by Trustee Hurd. All ayes. Motion carried.

Deputy Mayor Matisse moved to adopt Introductory Local Law I-7 of 2006, “Vehicles and Traffic” as Local Law No. 8 of 2006. Seconded by Trustee Hurd. All ayes. Motion carried.

Approval of Minutes

Trustee Leonard moved to adopt the minutes of October 10, 2006 with the following corrections: Page 6, Trustee DeJesus voted no, Page 10, omit the last sentence, Page 12, Second paragraph, change not grounds to no grounds, Page 17, change her to his. Seconded by Trustee Norman. All ayes. Minutes adopted.

Public Comment

Althea Mullarkey, 3 Watkins Drive, representing the Town of Montgomery Supervisor's Office stated that a committee spear headed by Susan Cockburn has hired planners to study the Route 17K corridor which includes coming up to the Village of Walden limits. They will be hosting an informal workshop on November 14th at 7PM.

Trustee Leonard asked if this came about because they are going to upgrade Scotts Corners.

Ms. Mullarkey stated that is part of it, plus Drury Lane. She also indicated that at Town Hall on November 16th the Town of Montgomery will be writing an emergency control policy. They currently do not have a written intermunicipal policy with the Village of Walden. The Village of Walden Dog Control Officer will be extended an invitation. The Humane Society, Town of Montgomery, Town Attorney, Village of Maybrook, Town's Animal Control Officer and anyone from the Village of Walden and local veterinary offices will be writing the policy.

Mayor Pearson asked for a copy of the agreement with the Village of Maybrook.

Ms. Mullarkey asked who would be the contact person for the Village of Walden.

Manager Politi indicated that he would be.

Ms. Mullarkey stated that the Town is getting ready to comply with the MS4 and asked if the Village has received the new book.

Manager Politi stated yes.

Ms. Mullarkey stated that the Town has already established a storm water erosion center control law, which is one of the bench marks for complying for being an MS4 district, which has to be in place by March of 07. There is another local law that has to be in place, which is illicit discharge local law and the Town is just beginning the process. That also has to be in place by March. One of the recommendations is to have intermunicipal cooperation in use of the illicit discharge local law as a model for that. So far they've gotten interest from the Town's of Shawangunk and Wallkill who are interested in designating a Storm Water Management Officer as an intermunicipal Storm Water Management Officer. That way the burden isn't on one township. She asked if the Board would be interested in coming on board with the Town's of Montgomery, Shawangunk and Wallkill in designating an intermunicipal SMO.

John Nash 12 Highland Avenue stated that he is here to get any current information about the rail trail. He asked where the right of way was and if that was in reference to the pedestrian bridge over Route 52.

Mayor Pearson stated that they were two separate things.

Mr. Nash asked about the pedestrian bridge.

Manager Politi stated that the application is in for the pedestrian bridge and we are third on the list for the grant. The manager further explained that the original and current rail trail project begins at Wooster Grove, leaves Wooster and goes up Woodruff, hits the rail bed and goes to the hamlet. There was other funding available so we made application for a foot bridge over Route 52 to leave from Railroad Place. That is another access to the rail trail.

Mayor Pearson stated that the reason the bridge was brought up was because the funding for the switch back going down Woodruff Street is a very expensive part of that project. So if we could get the bridge and make it a further trail we could put the handicapped people over that bridge as opposed to making that switch back and cutting more trees.

Mr. Nash suggested a bridge over the Tinbrook running adjacent to the railroad bed for the handicapped. If the clear cutting isn't necessary, then why do it.

Manager Politi stated that the contractor had a time limit and he would like to do it sooner.

Mayor Pearson stated that if this is an agreement he should be able to do it anytime. It doesn't have to be convenient for him; it should be convenient for us.

Trustee Leonard stated that it's a gift for us and he has his equipment over there and that is what he wants to do.

Manager Politi stated that whole concept of having a contractor donating his time to cut that area and to put fill into other areas of the rail trail that request has been made to DOT and DOT has to approve it for that to happen, because you want to make sure it's not getting in the way of the project.

Deputy Mayor Matisse stated that someone needs to go over the design plans and check the measurements a lot more carefully. There are two discrepancies in the body of the proposal and it doesn't jive with our deed.

Trustee Leonard stated that it's up to the engineers to identify the trees that have to be removed. It's not clear cut.

Manager Politi indicated that the rail trail starts at Wooster Grove and ends at the pavilion in the Hamlet of Wallkill. A switch back is designed into the final design of the project. If we get the bridge, in the timing, it could be a change order, but that is all by chance. The project has to move forward.

Marie Nash stated that she feels even if this labor is donated and if it doesn't make sense to do it then why do it at this point, because you can't undo it once it's done. Until the Village knows how it's going to be used and what the project engineers plan is she doesn't want any trees cut.

Patrick McMorris, 22 Union Street stated that he is working on his Eagle Project which is the sign across from the Walden Mini Mall. He plans on redesigning the whole area. He has already landscaped it and put in a retaining wall. He is looking to make a new sign and he would like the Village Board to approve the wording.

Manager Politi stated that Patrick did come to him because he wants to replace the sign. He did speak to the owner of the property. He brings it to the Board because we do have a sign law and he wants to make sure he's doing everything correct.

Trustee DeJesus stated that at the Community Council Meeting it was stated that Winums were going to do that.

Manager Politi stated that he wasn't aware they were doing work there so he had Winums contact Patrick to see if they could merge the two projects.

Deputy Mayor Matise asked about the organization symbols on the sign.

Patrick indicated that he is asking the organizations for donations and for donating they will get their symbol on the sign.

Mrs. McMorris stated that her son will be working with Vince Torina, who did the signs on the bridge, to come up with a specific design.

The Board had no problem with the concept. They would like to see a final design at their meeting on November 14th.

Mrs. McMorris asked that the Board see the final design sooner because of the weather.

The Mayor stated that they could contact the manager and get a copy to the Board.

Marcus Millspaugh stated that there is more work to be done on the Pine Street Park. The gravel walk is difficult to walk on when you're carrying a boat. He also noticed the pump station on the west side was cycling once a minute.

Manager Politi indicated that the pump station will be replaced.

Audited Bills

Trustee Hurd moved to pay the audited bill of October 24, 2006. Seconded by Trustee Leonard.

Mayor Pearson stated that she is concerned with the \$8000. bill for the engineers that was in the last packet.

Manager Politi stated that goes to two different accounts.

All ayes. Motion carried. The Mayor voted yes, but would like the \$8000 bill checked into.

23 Orchard Street – Small Cities

Trustee DeJesus asked about the dormers and if they went before the Planning Board.

Manager Politi indicated that he will find out.

Trustee DeJesus asked if the Village will be in third place.

Manager Politi stated yes.

Mayor Pearson asked if the Village checks if they are current with their other mortgages.

Mr. Barnes stated that he doesn't go into that much of an investigation.

Mayor Pearson stated that she would like that information before she makes a decision on this.

Mr. Barnes stated that they don't do a credit report. In this case the owner said that the original mortgage has been reduced slightly by his payments, so he's aware that he is making payments, but he doesn't know if he's current or not. This is an extremely unusual case, because we normally have a house that is worth a couple hundred thousand dollars and it's an elderly couple and there is either no mortgage or a small mortgage and we're loaning them \$15,000. In this case we are going with an owner who has a shell and is investing an enormous amount of money into it and asking for a fairly large loan from the Village. This is an unusual circumstance.

Trustee DeJesus asked about the payment arrangement.

Trustee Wynkoop stated that they will be making payments. He's watched this man and he's doing a great job. He's been in this village for 30 years and he's not planning on going any place.

Trustee DeJesus stated that he doesn't doubt that, but our system is not working well. This is another unusual circumstance, the second one.

Mayor Pearson stated that she understands where he's coming from but there is exceptions to all systems and these could be the two exceptions that will happen in the next 20 years. So there are exceptions. It's a yes or no answer as to whether you want to take second or third place.

Deputy Mayor Matise stated that under the current guidelines there is nothing saying the Board won't do that. She took some information off the internet on HUD guidelines and they were saying that if the labor cost is a self contractor, has he built labor costs into this, you need preapproval.

Mr. Barnes stated that there are no self contractor labor costs, because he is a professional contractor he could apply for labor and materials. He has chosen to apply only for materials. He pointed out that in the write up the date that it was in the \$50,000 range and now he doesn't need that much, he says he can do it for \$40,000.

Deputy Mayor Matise stated that if they shorten it to ten years we will be up there with the second mortgage.

Mr. Barnes stated that the Board can do that.

Trustee Hurd stated that the entire premise of this money is to encourage rehabilitation of properties in our village.

Mr. Barnes stated that if you make the terms too short you don't want to burden the owners so they can't pay the debt.

Deputy Mayor Matise stated that you could cut the interest a half of percent.

Deputy Mayor Matise asked if Mr. Muehlin had a CBDG loan for the Walnut Street property.

Mr. Barnes stated yes.

Deputy Mayor Matise asked if he was paying that back on time.

Mr. Barnes stated that he is still making payments. He financed it with a lot of his own money.

Deputy Mayor Matisse asked if there was a completion time for these two properties.

Mr. Barnes stated he wants to do it within the next few months.

Trustee Wynkoop stated that Mr. Muehlin advised him that he was closing the house up and working on the inside during the winter.

Trustee Leonard stated that he doesn't have a problem with this.

Trustee DeJesus stated that he doesn't have a problem with the projects they are doing he has a problem with the mechanism.

Trustee Hurd stated that he would approve this one. He does agree with Trustees Leonard and DeJesus.

Trustee Norman stated that she would approve this too. She agrees with Trustees Wynkoop and DeJesus.

Trustee DeJesus stated that they have guidelines that he doesn't think were approved.

Mayor Pearson asked if they can put a time limit on being done with the project.

Mr. Barnes stated that the building permit may have an expiration.

Deputy Mayor Matisse stated that you can renew a building permit.

Mr. Barnes stated that you could put a time frame on the project. He would get progress payments.

Mayor Pearson indicated that the write up isn't just outside work.

Trustee Wynkoop stated that Mr. Muehlin stated it was for exterior.

Mr. Barnes stated that the building inspector's write up is complete.

Mayor Pearson stated that it talks about him doing the work, so what did we talk about?

Trustee Wynkoop stated that its \$10,000 higher.

Mr. Dowd asked if Mr. Muehlin knows that if he gets the loan it's for the interior work.

Mr. Barnes stated that the work includes interior and exterior.

Mayor Pearson asked if the write up was rewritten on October 16th without going back and inspecting again.

Manager Politi stated that the building inspector did a walk through at that time and did a complete write up on October 16th.

Mr. Barnes stated that the write up did include some labor, it's not broken out. Mr. Muehlin will hire someone to do the sheet rock and someone to install the boiler. Mr. Muehlin says he needs \$40,000.

Mayor Pearson asked how much money is in this fund.

Mr. Barnes indicated approximately \$300,000.

Trustee Wynkoop moved to approve the small cities loan for 23 Orchard Street in the amount of \$40,000 for 15 years at 3% interest and third place on the mortgage. Seconded by Trustee Hurd. On roll call Deputy Mayor Matisse, Trustees Hurd, Norman, Wynkoop and Leonard voted yes. Mayor Pearson and Trustee DeJesus voted no. Trustee DeJesus stated that his no vote was no reflection on Mr. Muehlin. Motion carried.

Trustee Leonard indicated that from the assessment comparisons it looks like the assessors office hasn't been keeping up.

Trustee Wynkoop stated that's not full assessment.

36 Oak Street

Mr. Barnes stated that he's updated this in the past few weeks so the loan figures are slightly different. He also made payments on both mortgages.

Deputy Mayor Matisse asked whose providing the income eligibility in this building.

Mr. Barnes stated the tenant.

Deputy Mayor Matisse stated that he doesn't have a tenant yet.

Mr. Barnes stated that the has to rent to someone who meets the income limits and they will survey that person and have them sign a form of what their income is.

Deputy Mayor Matisse asked what if he already has the loan and then when he finishes six months from now he rents to somebody without anyone being aware of who it is and whether they meet eligibility.

Mr. Barnes stated that if the person is not eligible he would be in violation of his loan agreement. He would then have to pay it back. It's only the first tenant that has to be eligible.

Mayor Pearson stated that it came up that the write up was done in June and the second floor is done, we subtract the second floor out of that and make it a lower loan.

Mr. Dowd stated that you can't pay him for work he already did.

Manager Politi stated that you take approximately \$17,950. of the work that has been completed which leaves \$31,000?

Deputy Mayor Matisse stated that the front porch is done now so you can take that out too.

Mayor Pearson stated that the write up should have been revised.

Manager Politi stated that if you take the porch out you can offer \$25,000 to finish.

Deputy Mayor Matisse stated that the Board can then ask for a shorter term loan.

Manager Politi stated that he is requesting the board approve \$25,000 and third place on the mortgage. He will check the numbers with the building inspector. If there is a variance he will let the Board know.

Trustee Hurd moved to allow the manager to approve a small cities loan up to \$30,000 for 15 years at 3% interest and third place on the mortgage. Seconded by Trustee Leonard. On roll call Deputy Mayor Matisse, Trustees Wynkoop, Norman, Hurd, DeJesus and Leonard voted yes. Mayor Pearson voted no. Motion carried.

Resolution No. 9-06-07 – Abandon Vehicle Violation – 154 West Main Street

Deputy Mayor Matisse asked if the vehicle belongs to the tenant or property owner.

Mr. Dowd stated that they don't know because it's unlicensed. The car is rusted and it has no plates on it so it qualifies under the law. We can't physically go and look underneath the cover to see if it's registered or not. We can't invade a person's property without a warrant.

Trustee Wynkoop moved to adopt Resolution No. 9-06-07, Abandon Vehicle Violation. Seconded by Deputy Mayor Matisse. All ayes. Motion carried.

Townhouse Zoning District

Mayor Pearson stated that they did a lot of work on this law but they don't know if something is missing. They went to look at the property and they looked at the townhouses to see what they liked or didn't like and this is what they came up with.

Deputy Mayor Matisse asked if home businesses were going to be allowed.

Mr. Dowd stated that the proposed zoning amendment includes the tables of which customary accessory uses which are usually home occupation, home professional offices that are proposed to be permitted.

Deputy Mayor Matisse stated that there are some that are excluded, 148-3.

Mr. Dowd stated that when the Board gets the chart they will understand.

Trustees Wynkoop and Norman stated that they did a good job.

Mr. Sorensen stated that the townhouse zone will apply to the Coldenham area that is currently zone RM which is multi family district. The intention is to allow for townhouses the permitted density is comparable to the RM, but it's slightly less. The other things they tried to include are provisions for affordable housing and there are design standards to insure that the development is not requiring variations in the building law so you don't have a limitation on the number of townhouse units within a townhouse structure, which is limited to six. The building line will be staggered. There will also be design standards.

Mayor Pearson stated that during the process she received a letter from a realtor estate agent questioning other property that may be able to be zoned townhouse so it is not just for this piece of property, it could be multiple pieces that may come down the line. It's being designed for the Village of Walden so if other pieces come into play and that is what that zoning will be then we will have this zone for those people also, so it's not just for one person.

Deputy Mayor Matisse stated that she has a question under the affordable housing, occupancy requirements, does this apply if they rent it to a relative or child.

Trustee Hurd stated that they can't rent.

Mr. Sorensen stated that the child can live with them but they can't sub lease it.

Deputy Mayor Matisse stated that the impression she had from the Affordable Housing Committee is that a lot of restrictions about rental do not apply to members of your own family.

Manager Politi stated that these do by deed.

Deputy Mayor Matise stated that it would have to be written in as a deed restriction.

Mr. Sorensen stated that when the units are first created the buyer will have to meet the eligibility criteria based on income. That would be an issue year one, but the situation she's talking about is five or ten years down the line. The way the law is structured is the person that owns the unit it has to be their primary residents. A parent couldn't move out and rent it to a child, but the child could inherit it.

Trustee DeJesus asked if they were going to make the affordable housing units look different on the outside, they will blend in with the rest of the structures.

Mayor Pearson stated that they will not be isolated.

Deputy Mayor Matise stated that price wise they would be that much different. The intent of the way they expect to achieve affordability is more units per acre.

Mr. Sorensen stated that one of the unique things in the affordability provision is that you try to insure the affordability into perpetuity so if there is a subsequent sale, that sale will be regulated by the Village of Walden and the sale will be based on the median family income at that future point in time, so there is a cap on the property from the sale.

Mr. Dowd stated that it was discussed to have that locked in for thirty years.

Trustee Hurd stated that they did discuss that but felt in perpetuity is better.

Deputy Mayor Matise asked how they know that the unit is being sold so they have to come to the Village.

Mr. Sorensen stated that under the administration each year the owner of the affordable unit has to report back to the Village that they still own it and its their primary residence.

Deputy Mayor Matise asked what would constitute proof.

Mr. Sorensen stated it would be proof of residency that would meet the village attorney's satisfaction. They would probably ask for a driver's license.

Trustee Hurd asked if it could be in perpetuity.

Mr. Dowd stated that he's not sure you can. He's not comfortable with that. He isn't comfortable with 30 years either.

Mr. Sorensen stated that he wants to clarify what he said about perpetuity. The way it's structured is that the goal is you're creating affordable units that as they are sold in the future they would still be made affordable for the people buying them. The way

you set that up to insure that is if you sell your unit in 10 years that sales price is set not to exceed 28% of the maximum family income allowed. There is nothing that requires a family to sell, you could through the estate transfer to a child. The thing that triggers the sales price is an owner looking to sell.

Trustee Hurd stated that what if the people who inherit the property are multi millionaires.

Mr. Sorensen stated that if they are not going to live in it they will have to sell it.

Deputy Mayor Matise asked if they could live there without meeting the income guidelines.

Mr. Dowd stated that under the inheritance yes.

Deputy Mayor Matise asked why is a swimming pool a permitted use and where would you put it. It's in the tables.

Mr. Dowd stated that it could be a pool for the entire project.

Mr. Sorensen stated that it shouldn't be in the table.

Deputy Mayor Matise asked about private garages, is that separate from what is built into the townhouse unit. They wouldn't be adding a garage. She feels that should be taken out. She asked if number six would be eliminated, because you wouldn't be adding another garage. She also asked about signs.

Mr. Dowd stated that an accessory sign in a townhouse project is allowed.

Mr. Sorensen stated that in the early discussions they had also included single family detached dwellings and two family detached dwellings as being permitted in the townhouse district.

Trustee Hurd asked if they wanted to take out private swimming pool.

The Mayor and Deputy Mayor stated yes.

Trustee Hurd stated that some of the townhouses they saw had little pools.

Mr. Sorensen stated that the townhouse association will regulate that with deed restrictions.

Mayor Pearson asked about home occupational.

Mr. Dowd stated that it is permitted.

Mayor Pearson asked if they can change that.

Mr. Sorensen stated that the home occupation makes sense.

Deputy Mayor Matise stated that she would take that out.

Mayor Pearson asked about Affordable Housing, No. 1, each unit shall be dispersed throughout the townhouse project, but it doesn't say it has to be dispersed within the regular housing.

Mr. Dowd stated that they are not dispersed they are clustered.

Deputy Mayor Matise stated that you could specify no more than two adjacent.

Mr. Sorensen stated that the Planning Board would oversee the process and they can emphasize what dispersed means.

Trustee Leonard stated that we need to get this to the Planning Board and get their input.

Trustee DeJesus questioned the point system.

Mr. Dowd stated that normally the preferences are the village, town, surrounding towns and then county.

Deputy Mayor Matise suggested a chart that lists things and several point scales to the right of it so a village resident gets more points, a town resident gets less points and build out.

Mr. Dowd stated that persons over 65 years of age and persons with disabilities are only getting one point.

Mayor Pearson suggested the first column Village of Walden, second column Town of Montgomery, third column County of Orange and decrease the points as you go across.

Trustee DeJesus stated that the point system is the main issue that has to be addressed.

It was the consensus of the Board to raise the points for 60 years of age and older and also 3 points for residents of the Village, 2 points for residents of the Town and 1 point for residents of the County.

Trustee DeJesus asked if this was going to go to the developer.

Mr. Dowd stated that it would at some point. It should go to some of the developers in the district. When it gets to the point where everybody likes it, it will be introduced for a public hearing and then it will go to the County Planning Department. It might be better to bring the planning board earlier.

Trustee DeJesus asked if there is going to be opposition from the developers and if they will want control of the affordable housing selection.

Mr. Dowd stated that he doesn't think the developers care for preferences and who gets the units, they care about how many units there will be.

Trustee DeJesus stated that it has to be very clear as to the role of the Village Board or committee.

Deputy Mayor Matisse stated that the townhouse development will have a homeowners association they counter manned with their homeowners association any of the Village stipulations.

Mr. Dowd stated that they can be stricter.

Deputy Mayor Matisse asked if they can be more permissive.

Mr. Dowd stated no.

Mayor Pearson asked if it states that there will be a homeowners association.

Deputy Mayor Matisse stated yes, under recreation.

Mr. Sorensen stated that it is required.

Mayor Pearson suggested this be discussed at a joint board meeting. The Mayor asked that the two zoning local laws adopted by the Board also be sent to the Planning Board.

Trustee DeJesus moved to hold a joint board meeting on Thursday, November 16, 2006 at 7PM. Seconded by Trustee Leonard. All ayes. Motion carried.

Small Cities Rehab Guidelines

Trustee DeJesus stated that on Page 4, Sale, Transfer or Refinancing, in general the Board will not subordinate to a new first mortgage, home equity loan or line of credit unless the property owners are below 50% of median income, what does that mean.

Mr. Barnes stated that there are two circumstances in which they review an applicants finances and other circumstances. One is if you get a new person coming in asking for assistance and the other is when they come in and they've already been

assisted and they want to refinance or get a home equity loan and they are asking the Village to subordinate. On Page 2 there are guidelines that say terms of assistance, if you come to the Village and it's a brand new case and you want assistance we look at your income, see if you're house needs work and is your total debt on your house is less than 80% of its value. There are no efforts there to being in second or third position.

Deputy Mayor Matise stated that the Board would want to insert it in there.

Mr. Barnes stated that if someone has already been assisted and they say they want to refinance and I want you to subordinate to a new first mortgage or second mortgage, we have had extensive discussions on this subject, but only in relation to refinancing. What the guidelines say now is we will not subordinate to a second mortgage, we won't even subordinate to a first mortgage unless you're under assistance and you really need our money to keep going. If the Board wants to change that, fine.

Trustee Hurd stated that Mr. Barnes may say fine, but the main focus of the plan is to bring to standard conditions, sub standard housing. That's its number one goal. In the cases tonight it makes sense for the Board to take the actions they did. If the Board changed it so that it was four we would not have been able to grant these.

Mr. Barnes stated that the danger the Board faces is that you may exclude owners of houses who really need help or that you really want to fix the house because it is an eye sour.

Trustee DeJesus stated that this wouldn't apply to the situation the Board discussed two weeks ago, the refinances they did on East Main Street. He was told that it didn't apply to that situation.

Mr. Barnes stated that it would have applied to that refinancing.

Trustee Hurd stated that it still leaves the room for the Board to make the exception.

Mr. Barnes stated on page 4 it states if you feel it's financially sound and in your interest you can do it.

Trustee Hurd stated that these seem to be reasonable guidelines.

Deputy Mayor Matise stated that it's really two different issues, one has payments and one is a deferred loan. A lot of the older loans are deferred loans and maybe we don't want to subordinate those, but maybe we do it on a case by case basis on the ones that an immediate repayment schedule starts.

Mr. Barnes stated that what they said now is that you won't subordinate if you have a person who has been assisted, you won't subordinate unless they are below 50% of median income.

Deputy Mayor Matise stated that they can change this if they wanted to say that if they come to the Board with an existing loan but it is a deferred loan, where we know we are not receiving any money back from them, we may not want to subordinate those loans either but if in fact that property is sold that money may never come back to us.

Mr. Barnes stated that if a person has a house worth \$250,000 and they are refinancing getting \$150,000 first mortgage and there is plenty of equity there, the question you may say is do you really need our money at 0% or 3%. The answer is probably no, if you can afford a \$150,000 mortgage you can afford \$170,000. Unless you are still low income. They also use a guideline that we shouldn't have there housing debt, principle, interest, taxes and insurance greater than 35%.

Trustee DeJesus stated that the situation two weeks ago didn't even meet the ratio they had established. There were a number of flaws. He understands there can be flexibility, but it has to be applied across the board and it has to be more oversight of this whole process.

Mr. Barnes stated that he will do anything the Board wants.

Mayor Pearson stated that there is nothing in there that says whether their payments are being made to the banks already, their credit situation. Can we do that?

Mr. Barnes stated that we are not getting any more of these grants so we have to try to shift away from spend, spend, spend, and protect what we have. Sixty percent of the loans are seniors and their house is paid for and you're giving them a deferred loan, there are no payments, why run a credit check.

Mayor Pearson stated that she is talking about mainly third place people.

Mr. Barnes stated that if you're dealing with a situation where the person has a mortgage we would be either first or second we will look at the debt ratio, which is a new protection, and then run a credit check.

Mr. Barnes suggested that the Village see if a bank can service the loan payments.

Mayor Pearson asked if third place still an issue.

Trustee Hurd stated that he's not opposed to it because the thrust of the program is to get that money out there to rehabilitate substandard property. That would be his primary goal to stay within the 80% mark we stay within our safety margins.

Mayor Pearson stated that she would still like to see a credit report done.

Mr. Barnes stated that he thinks they should do a credit check on any loan where we are not in first position.

The Mayor agreed to that.

Trustee Hurd felt a credit check should be done on everyone.

Deputy Mayor Matise asked if someone doesn't make their payments back can we attach it to their taxes.

Mr. Dowd stated no.

It was the consensus of the Board to do a credit check on everybody over first.

Mayor Pearson asked if loan payment were to start with or without a certificate of occupancy.

Mr. Barnes stated when they get the final payment they will start paying. He also suggested that payments will be paid to the Village Treasurer be change to say paid to servicing agent.

Mr. Dowd suggested that applicant pay for the credit check.

It was the consensus of the Board to have the applicant pay for the credit check and add that to the guidelines.

Mr. Barnes further stated that he will make the changes to the guidelines and bring the guidelines back to the Board for their approval.

Nugent & Haeussler, Audit Proposal

Manager Politi stated that based on everything that has occurred this is the letter that came in.

Mayor Pearson stated that the manager will be having a meeting with the auditors tomorrow and that the review by the peer committee is dated 2003, do they not have a more recent review. Also, in the letter it states that they expect to begin the audit on approximately November 6th and issue their reports no later than January 29th. The last proposal didn't have a date they needed to have it back. She would like to have it before budget review.

Deputy Mayor Matise asked where the audit is.

Manager Politi stated that he has the audit and he is meeting with the Mr. Bullis, Mr. Klum and the Treasurer tomorrow to review it.

Mayor Pearson asked if he will be discussing payment of that.

Manager Politi stated yes, he will be discussing a discount for being so late.

The Board agreed.

Mayor Pearson questioned the last sentence of the auditors letter, if, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement. So, for \$19,000 they don't have to give the Village anything.

Mr. Dowd stated if for some reason they cannot form an opinion because the books are not kept correctly or they can't find the information, they can't put their professional reputation on the line. They have to give a report, not necessarily an opinion.

Deputy Mayor stated that the important thing this would apply to would be to all the stuff under GASB 34, which isn't the audit of the books, but it's the recommendation, the narrative, which talks about procedures, which talks about our assets and it will give us guidance and directives on dealing with our properties and equipment. That sentence applies more to that, that it's easy for them to do the figures, but this whole \$9,000 supplement to the audit, if they are going to back out of giving us an opinion on doing that part of it, what good is it.

Mayor Pearson asked Deputy Mayor Matisse what she's questioning.

Deputy Mayor Matisse stated that she is questioning the wiggle room they're building in, because if the wiggle room is about the GASB 34 element of the audit then they can say they never have to do that for us.

Mayor Pearson stated that she can't make a decision on the new proposal until she hears what is going to happen with the present one.

Trustee DeJesus asked why they messed up.

Manager Politi stated that the fellow that worked on the audit literally left it on the table. Mr. Bullis is aware of this and he's coming in tomorrow to discuss it. This has never happened. Mr. Klum is the one that comes in and does the work, separate from Mr. Trainer.

Mayor Pearson asked how that can be acceptable.

Trustee Leonard asked if they have to do an audit every year.

Mr. Dowd stated that the Village is not required to, but you really should.

Trustee Leonard stated that fine if it was timely.

Mr. Dowd stated that it depends on what you want to use it for. If they give you an opinion that your books are in order, even though it's late, at least you are satisfied that there are no major irregularities with your bookkeeping procedures. It still has a value to you because it goes to the comptroller's office and if they see any major problems they will come down and look at the books.

Deputy Mayor Matisse stated that's what discounts the value of this one is that GASB 34 is really supposed to do more than that. It is suppose to be a tool that we can use to manage our assets. If they come to us with something that is a year old we've already replaced that truck, we've already replaced this, that report is suppose to have a bearing on.

Trustee Hurd stated only because it really isn't a timely enforcement tool. That's still up to our financial manager, manager and us to spot anything that is going on that doesn't smell right. He feels it's appropriate for the Village Manager to make Nugent and Haeussler aware that the Board is extremely displeased that it's so late and not the kind of performance they expected from them.

Trustee Leonard stated that if this is less value we should pay less for it.

Trustee Hurd stated that he'd like to speak to the Treasurer to see if what the Board thinks they are tracking is what they are tracking.

Trustee DeJesus stated that the Village paid for information that has to be put into that report and we have to get some consideration.

It was the consensus of the Board not to approve the proposal until they here what their consideration is. They would also still have the January 29th date.

Manager Politi stated that he will get the Board something by the end of the week.

Deputy Mayor Matisse asked when the last time the comptroller's office audited the Village and when will be the next time.

The Village Clerk indicated approximately 10 years ago.

Mr. Dowd stated that some municipalities that don't have annual audits are audited by the comptroller's office every three years. Walden has an audit verified by a firm and they don't see any irregularities so that's why you don't see them come down.

It was the consensus of the Board to wait until they hear the results of the meeting to move on with this.

Mayor Pearson asked the Manager to see if they have a newer performance report than 2003.

Review of Dumpster Use Law and Health Insurance

Mayor Pearson stated that a gentleman came before the Board regarding a problem with dumpsters at the Orchard Street parking lot and no one has gotten back to him. A decision has to be made. There is a law on the books and we have to either revisit the law, change it or do it, its there for a purpose.

Trustee Leonard stated that because he has a situation at home he needs to get there for and the Board has two important executive session items he moved to table the review of dumpster use law and health insurance.

Deputy Mayor Matisse asked what the health insurance was about.

Mayor Pearson stated that she was going to start talking about health insurance. Budget time is coming up and she would like to discuss new proposals on health insurance of new hires. Health insurance costs are outrageous and we need to start talking about that.

Seconded by Trustee DeJesus. All ayes. Motion carried.

Public Comment – Discussion Items

No public comments.

Manager’s Reports

Manager Politi stated that the Village received a letter from the National Association of Town Watch stating that they are pleased to inform us that “Walden” has been selected as a Rookie of the Year for its outstanding first year participation in the “23rd Annual National Night Out”.

Manager Politi stated that tomorrow morning at 9am Senator Larkin will be here to announce that the Village has been awarded a \$30,000 to purchase additional security cameras.

Board Comments

Deputy Mayor Matisse asked about the garbage complaint report, they haven’t received it in awhile.

Deputy Mayor Matisse stated that she received an email from Jim Meaney who is with the Orange Blossoms Reinactors telling her that the County is stalling with doing anything with the Bradley Monument in Goshen. He wants the Village to help out in any way.

It was the consensus of the Board to send a letter to the County.

Mayor Pearson stated that she has information from Orange County Risk Management about CPR classes.

Manager Politi stated that he received that too.

Mayor Pearson stated that the polling place at the Village Hall will be next Tuesday from 5:30am to 9:00 pm. She also asked if anyone would like to go to the Greenway Conservatory annual grant program. Also, the United Way would like assistance from village employees.

Manager Politi stated that the Village applied for a feasibility study for Railroad Place and received \$5,000 from the Greenway.

Mayor Pearson asked if the Village was going to have the ice skating rink this year.

Manager Politi stated yes.

Mayor Pearson asked if some patching can be done at the end of Grove Street.

Mr. Lamendola stated that he is aware of that.

Mayor Pearson stated that she received a monthly report regarding gasoline but it doesn't say who uses which cars.

Mayor Pearson asked to be advised when the Village decorates the holiday tree. She also asked if the lights on the trees on Main Street would be replaced.

Manager Politi stated that he will have the outlets checked and the tree lights replaced.

Mayor Pearson asked about tree trimming on Main Street.

Manager Politi stated that he will call Mr. Pursutti.

Trustee DeJesus thanked the manager for getting the meeting room cleared out of boxes.

Mayor Pearson stated that she was disappointed the business breakfast didn't happen. She asked if the Manager has a date.

Manager Politi stated that he will get a new date.

Mayor Pearson asked about the water meter replacement program.

Manager Politi stated that to date they've replaced 930 meters.

Mayor Pearson asked for an update on the well.

Manager Politi stated that he went to see Senator Larkin yesterday and it is at the point where pressure needed to be put on. We will have the DEC permit next week which allows us to get the DOH permit, from there it will go out to bid.

Manager Politi stated next Monday the Main Street Meeting will be at the Liberty Museum.

Executive Session

Mr. Dowd stated that he doesn't have the information tonight for the litigation; he will have it for the next meeting.

Trustee Norman moved hold an Executive Session pursuant to 105-(h) Property Acquisition of the Public Officers Law. Seconded by Trustee Hurd. All ayes. Motion carried.

Trustee Wynkoop moved to reconvene the regular meeting. Seconded by Trustee DeJesus. All ayes. Meeting reconvened.

Adjournment

Trustee Hurd moved to adjourn. Seconded by Trustee DeJesus. All ayes. Meeting adjourned.

Respectfully submitted,

Nancy Mitchell
Village Clerk

