

**Village of Walden
Board of Trustee
Special Meeting
December 29, 2008
Motions and Resolutions**

Audited Bills

Trustee Rumbold moved to pay the audited bills for December 29, 2008. Seconded by Trustee Norman. All ayes. Motion carried.

Executive Session

Trustee Norman moved to hold an Executive Session pursuant to 105-(f) Personnel, 105-(e) PBA negotiations and Attorney/Client privileges. Seconded by Trustee Rumbold. All ayes. Motion carried.

Trustee Rumbold moved to reconvene the regular meeting. Seconded by Trustee Norman. All ayes. Meeting reconvened.

Adjournment

Trustee Hurd moved to adjourned. Seconded by Trustee Norman. All ayes. Meeting adjourned.

**Village of Walden
Board of Trustee
Special Meeting
December 29, 2008**

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

On roll call the following were:

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| Present: | Mayor | Becky Pearson |
| | Deputy Mayor | Mary Ellen Matisé |
| | Trustees | Mary Jean Norman |
| | | Richard Hurd |
| | | Susan Rumbold |
| | | Marcus Millspaugh Jr. |

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| Absent: | Trustee | Roy Wynkoop |
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| Also Present: | James C. Politi, Village Manager |
| | Nancy Mitchell, Village Clerk |
| | Kevin Dowd, Village Attorney |
| | Jan Weiner, Village Treasurer |

Public Comment

There were no comments from the public.

Housing Rehabilitation Program Loan Request

Manager Politi explained that once the construction project breaks \$20,000 the Board has to give approval. One thing you have to look at is the loan to value and you don't want to exceed 80%, combination of mortgage and loan. In this case the home is owned outright, there is no mortgage, so the debt to value ratio is 12%.

Mayor Pearson asked if a credit check was done.

Mr. Barnes indicated that a credit check was done by the homeowner. He further stated that the contractor is new to our program. He gave four references that were all excellent.

Mayor Pearson asked about the repayment terms.

Mr. Barnes indicated that it was 2% with monthly payments.

Mayor Pearson asked what the loan procedure was.

Mr. Barnes stated that the mortgage is filed and construction starts. The applicant will get an amortization schedule which will show the payment schedule. They haven't worked out the term yet.

Mayor Pearson asked who makes that decision.

Mr. Barnes stated that they look at the homeowners housing expense. They try to make it the shortest term as reasonable to get our money back.

Mayor Pearson stated that she disagrees with that. She asked if Mr. Barnes makes the decision on the term of the loan.

Mr. Barnes stated that he doesn't solely make the decision.

Trustee Rumbold moved to approve the housing rehabilitation program loan for the E. Main Street home for \$21,057. Seconded by Trustee Norman. All ayes. Motion carried.

Development of Legislative Request for Infrastructure

Manager Politi stated that he would like to approach Senator Larkin and Representatives Calhoun and Hinchey hoping for infrastructure grant money that the federal government and the state have started to develop. We need to approach them with projects fairly specific. One would be the sewer collection system. Because of what is going on and working with engineers he asked the Board who he should work with, current engineer or the engineer they've taken on.

It was the consensus of the Board to work with Delaware Engineering.

Manager Politi stated that he will have to get data from the current engineers.

Mayor Pearson stated that the sewer should be at the top of the list and the railroad at the bottom.

Manager Politi stated that the sewer is out front because that is what the money is for.

Deputy Mayor Matisse asked if OTC will be doing that. They are now doing a two year study of the north end of the county and we are part of it.

Manager Politi stated that we are not part of it. They are doing the county as a whole.

Deputy Mayor Matise asked if the county would be asking for money for that study.

Manager Politi stated no. We're going to ask them for money.

Deputy Mayor Matise suggested we let the county look for money.

Manager Politi stated that the information is coming from the feasibility study and we are the lead agency.

Deputy Mayor Matise asked why we are wasting our staffs time on it when the county has paid staff to do that.

Manager Politi stated that the benefit is to us. If the Board doesn't want him to follow through on that he won't.

Deputy Mayor Matise stated that it should be dumped on the county.

Trustee Hurd stated that we're meeting with a few politicians to see if can't align something.

Mayor Pearson asked if he was going into those meetings too.

Manager Politi indicated that the money that Mr. Sorensen gets for that study comes from the grant, not the Village.

Mayor Pearson asked if they can look for money for well head protection.

Manager Politi stated that they could.

Deputy Mayor Matise moved to consult with Delaware Engineering to develop a list of legislative request for water/sewer and well head protection issues to be submitted to our state and federal legislators.

Trustee Millspaugh asked if they were going to get a price for this.

Manager Politi stated that they will do work for us so he's assuming there will be a price.

Seconded by Trustee Rumbold. All ayes. Motion carried.

Trustee Hurd moved to continue to be lead agency and continue to look for grant money for the rail feasibility study. Seconded by Trustee Rumbold. All ayes with the exception of Trustee Millspaugh voting no.

State of the Village/Board Review

Mayor Pearson stated that with the economic climate the Board felt they needed to look at what is going on with the community and look at numbers to see if they need to do some cost savings and cost cuttings. The manager put together a report for the Board.

Manager Politi reviewed the report with the Board. He stated that they kept the tax rate increase at 1.7% and in doing so they approached the department heads asking them to minimize or try to cut back where they could in their line items. In budget discussions those numbers were cut further. When reviewing the revenues this year at the six month point they are at 52%. Their projections for revenues are at 50% or above. We will be tightening our belts even more as we enter this spring. Looking at our expenditures it's the same numbers. Legal miscellaneous is hurting us right now due to the PBA.

Trustee Rumbold asked how often the county does evaluate our share of the sales tax revenue.

Manager Politi stated that one notice came through that it was going down a little bit. Their projections are saying that it should stay fairly stable. We accounted for that. That number comes is quarterly. He will let the Board know what that number is. He further stated that electric is down 35% of what they estimated. Telephones are at 54% and gas, oil and lube dropped off.

Mayor Pearson stated that she went through the monthly report and looked up telephones and every line was way up. Three thousand dollars was budgeted and we are at twenty one and we're halfway through the year. All the phones look like that.

Manager Politi stated that you will see a 91% and a 94%, which was because they upgraded the system. There is 56%, 29%, 45%, 45%, 17%, 50%, 70%, when you average those through it comes out to 54% overall that we've spent accumulatively on telephones at the six month point.

Deputy Mayor Matise asked if this includes cell phones.

Manager Politi stated that is all phones.

Mayor Pearson stated that they have talked about phone usage being high.

Manager Politi stated that if someone is using the phone for personal use that is disciplinary and he has to handle that.

Treasurer Weiner stated that includes the web site.

Manager Politi stated that you kept everything at last years number at a maximum. To know you're a year ahead in a year with extra charges everywhere we've done pretty well at stabilizing.

Treasurer Weiner stated that it is also for the computer lines. All office telephone expenses come out of the Village Clerk's budget.

Mayor Pearson asked about the water department's phone bill 94%.

Manager Politi stated that they upgraded their system.

Treasurer Weiner stated that it is also the alarms for the wells.

Manager Politi stated that we took a hit with PBA negotiations. The interfund transfer comes in the latter half of the year. A lot of grant reimbursements are out there and they are coming in which will clean up some of the lines we've had to pay out on certain projects. The capital improvement program they stayed focused on. They have stayed conservative from the beginning of the budget development. They will have to pull back during the second half. When they went through the budget process they increased the sewer rate but they only did it so much. They wanted to get to the six month period to see if they wanted to increase it or if they needed to increase it. We went from a monthly billing cycle to a quarterly billing cycle. There are also a lot of outstanding water bills which is hurting our cash flow. The numbers look lopsided but they will get there, we will collect them.

Trustee Rumbold asked if they charge interest on unpaid bills.

Treasurer Weiner stated yes, 10%.

Trustee Rumbold asked if that was as much as they could charge.

Mr. Dowd stated that he thinks it is, but he will find out.

Mayor Pearson asked if that doesn't get paid it goes on the taxes and then the county pays us.

Trustee Weiner stated that if it's not paid by the end of the year it's levied on the next Village taxes which is paid from the general fund to the water/sewer fund.

Trustee Rumbold asked if it was consistently the same people.

Treasurer Weiner stated pretty much, people are having tough times.

Trustee Hurd asked if the collection rate was higher when they collected the bills monthly verses quarterly.

Treasurer Weiner stated that it will take getting use to that cycle.

Trustee Hurd asked if they find the rate of delinquency less monthly.

Treasurer Weiner stated that she would have to compare it to last year. We are at 85% to 88% of the bills that have been billed since May.

Manager Politi stated that it could be the economy.

Deputy Mayor Matisse asked if there's been a drop in consumption.

Manager Politi stated yes.

Treasurer Weiner stated that it's more accurate.

Trustee Rumbold asked if anything is done in between to try to collect the money.

Treasurer Weiner stated that letters go out.

Manager Politi stated that works because we threaten to shut the water off. He further stated that it will be a tight year.

Trustee Hurd asked if it would be wiser to increase the rate on a timelier basis with smaller increments rather than a larger increment once a year or every two years.

Mayor Pearson stated that the Board did talk about that at budget time.

Manager Politi stated that he feels they can get through the year, it will be tight.

Trustee Rumbold asked where the money would come from for DEC.

Manager Politi stated that if we were hit by sizable fines we would have to borrow for it. He asked the attorney if it would be a general fund borrowing. If they are fining they are fining the Village not the sewer department.

Mr. Dowd stated yes. It's an out growth of the Village sewer system which you have a separate fund for. You would take it out of contingency.

Trustee Rumbold asked what comes out of that fund besides salaries.

Manager Politi stated insurance, debt service, and retirement insurance.

Trustee Rumbold asked about the digester.

Manager Politi stated that will come out of that fund as well.

Trustee Rumbold stated that if we get fined we will be borrowing more money, what does it look like as far as that debt, the digester and whatever the fine number may be. That all has to come out of there. How close are we?

Mayor Pearson stated close.

Manager Politi stated that if it's going hit it will be the sewer fund.

Trustee Rumbold asked if they would have to raise sewer rates.

Manager Politi stated that some communities will just take advantage and raise both rates.

Deputy Mayor Matise asked if there is any way to have a seasonal rate, staggered rate or a rate that applies to so many linear feet and then the larger consumers pay more for the additional linear feet beyond a certain amount.

Manager Politi stated that there are communities that have mixed rates.

Deputy Mayor Matise stated maybe that would help us. She also stated that you can have a variable rate that will bring in more revenue.

Mayor Pearson stated that you can't fault someone who is conserving.

Trustee Rumbold asked if they know for certain that if we get a fine it won't have to come out of the sewer fund.

Mr. Dowd stated that you can make it a Village wide debt service. You always try to have them pay as you go to pay for the expenses of those systems. As its fined it will be fined based upon the operation of the sewer system. You can borrow the money to pay the fine. There are revenue anticipation notes. He's seen the fines being paid in installments.

Mayor Pearson stated that there is \$20,000 in the sewer fund with reserves and the sewer fund itself.

Deputy Mayor Matise asked if the State mandates how these funds are funded. It could be part of the general fund based on assessment.

Mr. Dowd stated that the law states how you raise the money for the operation of the systems and how it's spread out for the cost of the users.

Manager Politi stated that when they did the rate comparisons throughout the state we are in the lower third in rates. Other rates are significant.

Deputy Mayor Matise asked if there were other fees that come out of that account.

Manager Politi stated that his salary comes out of water and sewer because he oversees all those departments.

Deputy Mayor Matisse asked if it has to be that way.

Manager Politi stated that it could all come out of the general fund.

Treasurer Weiner stated then the tax rate will go up.

Trustee Rumbold stated that she is concerned with the debt. She suggested the manager's salary be pulled out of there.

Manager Politi stated that he will give the Board some numbers. He suggested they take out 50%.

Deputy Mayor Matisse asked why the water department is at 99.504% on overtime.

Manager Politi stated that he has to go back and look. They are also used for snow removal.

Treasurer Weiner stated that a lot of time Mr. Perna and Mr. Wild are called in for the sewer pump stations.

Mayor Pearson asked why that was coming out of the water line and not the sewer line.

Manager Politi asked that they let him look at this and get back to the Board.

Trustee Millspaugh stated that he has asked before how difficult it would be to be the water usage in gallons on the bills.

Treasurer Weiner stated that the program doesn't allow for that.

Trustee Rumbold asked where they are with police overtime.

Mayor Pearson stated that overtime is 8.2%. There is a balance of \$13,200.

Manager Politi stated that there are officers out and you have to cover those shifts.

Treasurer Weiner stated that there is foot patrol and dispatcher overtime.

Mayor Pearson asked if they could use part time officers.

Manager Politi stated that you try to schedule them the best you can.

Trustee Rumbold asked when the last time was the department heads evaluated where they are.

Manager Politi stated that we go through it every week.

Trustee Rumbold asked if they are anticipating filling any other positions.

Manager Politi stated no. The Board has instructed not to move forward with any hiring of that other full time position in the police department.

Trustee Rumbold asked about part time.

Manager Politi stated that with part time you can always look. That changes from time to time.

Mayor Pearson asked about Special Items No. 1930.400, Judgments and Claims, \$10,000 and we are at \$56,900.

Treasurer Weiner stated that is Walden Housing's tax refund.

Mayor Pearson asked if they could have a fund balance for the spring. She also stated that office supplies seem to be up.

Manager Politi stated that you're going to have peaks and valleys. Sometimes you have to look at what you've spent overall.

Treasurer Weiner stated that the office supplies for the office come out of the Village Clerk's budget and she watches it.

Mayor Pearson asked about the leftover IDA money.

Treasurer Weiner stated that it's in the Community Development Fund.

Manager Politi stated that is part of our share for the Main Street grants.

Deputy Mayor Matise asked if there was still money coming into these funds.

Treasurer Weiner stated that we are still getting money from Walden Center.

Deputy Mayor Matise asked if the Community Development money that they are saying \$10,000 each to five projects on Main Street is that going to be grants or loans.

Manager Politi stated that it will be loans with low interest, 3%.

Deputy Mayor Matise asked if they can use that to meet their match.

Manager Politi stated yes.

Trustee Rumbold asked when the manager would be meeting with the department heads again.

Manager Politi stated January 8th. Budget packets will be going out.

Mayor Pearson asked if the audit was done.

Trustee Weiner stated that they should be done soon.

Deputy Mayor Matise suggested the department heads cut their budget requests.

Trustee Rumbold asked if the reason for not buying in bulk for office supplies was because of a storage problem.

Manager Politi stated yes.

Treasurer Weiner stated that we do buy copy paper in bulk and the supplier stores it for us.

Trustee Millspaugh asked if the Treasurer could add a line to the spread sheet between the start of the year budget and the current budget.

Treasurer Weiner stated that her program won't allow her to do that. She will ask the programmer if that can be done.

Trustee Rumbold asked that the department heads be reminded to do everything they can to be as frugal as possible.

Treasurer Weiner stated that you should see the spending slow down right now.

Mayor Pearson asked about snow removal this year. She hopes snow removal is done in house and not hiring other trucks to come in.

Manager Politi stated that they would only use other trucks if there was a heavy snow and you had to move it. You may have to get one or two trucks.

Deputy Mayor Matise stated that when the Board goes into the budget process could they have a detailed report about debt service that will be paid off.

Mayor Pearson stated that one problem she has is there was a bond taken out for the digester which hasn't been started yet and we're paying on it.

Treasurer Weiner stated that they won't start paying on that until next year.

Trustee Rumbold asked where they are paying engineering fees from.

Manager Politi stated the general fund.

Trustee Rumbold asked if the general fund will be paid back.

Manager Politi stated yes.

Trustee Hurd thanked the Treasurer and Manager for the report. He appreciated the time it took to do it.

Trustee Norman also voiced her appreciation.

Deputy Mayor Matise stated that she noticed that the fee for the attorney to do a bond resolution went up to \$725.00. There have also been occasions where we haven't borrowed enough so we went back and they bill us again. That is something we need to be aware of, try to be more accurate in what we are anticipating what our expenses are going to be so we're not going back and asking more money and spending another \$725.00.

Manager Politi stated that with the well the number is \$685,000 to make sure we had enough and didn't have to go back.

Deputy Mayor Matise stated that on the \$685,000 they charged \$1100 for their work.

Audited Bills

Trustee Rumbold moved to pay the audited bills for December 29, 2008.
Seconded by Trustee Norman.

Mayor Pearson questioned the bill for the furnace in the Municipal Building.
Did they look at possibly needing a new furnace?

Manager Politi stated that the furnace was new and the motor on the front was fine at the time but now it needs to be replaced.

All ayes. Motion carried.

Agenda Item

Deputy Mayor Matise stated that now that we did a half year budget review they were looking back over some of the minutes from July when they went through the project plans for this year. She suggested for the first meeting of the year they could have a project review update.

Executive Session

Trustee Norman moved to hold an Executive Session pursuant to 105-(f) Personnel, 105-(e) PBA negotiations and Attorney/Client privileges. Seconded by Trustee Rumbold. All ayes. Motion carried.

Trustee Rumbold moved to reconvene the regular meeting. Seconded by Trustee Norman. All ayes. Meeting reconvened.

Adjournment

Trustee Hurd moved to adjourned. Seconded by Trustee Norman. All ayes. Meeting adjourned.

Respectfully submitted,

Nancy Mitchell
Village Clerk