

PRELIMINARY MINUTES

**VILLAGE OF LUDLOW
BOARD OF TRUSTEES**

REGULAR ELECTRONIC MEETING

TUESDAY, JANUARY 5, 2021

6:00PM VIA ZOOM

ZOOM Public Informational Meeting Link:

<https://us02web.zoom.us/j/88624335163?pwd=OWh4enl4KzdrU2t5NGhYYmFRdnBPUT09>

Meeting ID:886 2433 5163 **Passcode:**444478

Dial by phone: +1 929 205 6099

Alternate numbers:

+1 301 715 8592 US (Washington D.C)

+1 312 626 6799 US (Chicago)+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

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Find your local number: <https://us02web.zoom.us/j/88624335163>

Meeting ID: 886 2433 5163

Passcode: 444478 (That's HIGH-ST on a phone keypad)

TRUSTEES PRESENT:

David Rose, Chairman

Bob Brandt

Earl Washburn

STAFF:

Scott Murphy

Ulla Cook

Chuck Craig

OTHERS PRESENT:

Andrew Becker

Merrick Gillies

Eric Chattergee - OVTV

Sharon Bixby

Rich Radonis

Lisha Klaiber, Recording Sec.

Wayne Elliot – by phone

Tom Telling

1. **Call To Order**

- A. David Rose called the regular meeting of the Village Trustees to order at 6:23 p.m. He advised that guidelines for electronic meetings are being followed.

2. **Consideration of any Changes, Additions or Removal to the Agenda**

- A. Scott Murphy advised that no changes are needed.

3. **Approve Minutes from Previous Meetings**

- A. David Rose advised that the minutes to be approved are from the regular meeting of December 1, 2020, the Budget Workshop of December 15, 2020 and the Special Meeting of December 22, 2020.
- B. **MOTION by Bob Brandt and seconded by Earl Washburn to approve the minutes for the regular meeting of December 1, 2020, the Budget Workshop of December 15, 2020 and the Special Meeting of December 22, 2020. Motion passed unanimously.**

4. **Comments from Citizens**

- A. There were none.

5. **Sewer Allocation Request - Rexbo Development, Inc. – 226 Main Street**

- A. David Rose advised that the applicant has requested that the sewer allocation for the property located at 226 Main Street be removed. The building has been razed.
- B. Scott Murphy advised that the sewer base charge of \$266.80 was paid in advance.
- C. David Rose said that the services were turned off in September..
- D. **MOTION by Earl Washburn and seconded by Bob Brandt to approve the request from Rexbo to remove the sewer allocation and to refund \$266.80. Motion passed unanimously.**

6. **Possibly Consider South Face Village Request to Amend Allocation Agreement**

- A. Andrew Becker advised that an agreement was made in 2013 for South Face Village to pay \$56,134 per year for a period of 10 years for their sewer allocation. Due to COVID, they were unable to pay the 2020 payment. They are current on all on the water bills. He is requesting that the 2020 payment be added to the end of the term, making the last payment in 2024. He said that since December 2020 things have started to move and they signed contracts for 2 more units.
- B. David Rose agreed that 2020 had been a difficult year.
- C. Andrew Becker said they have also paid into the Enterprise and Fire Department funds.
- D. **MOTION by Earl Washburn and seconded by Bob Brandt to grant one year extension and to draw up an amendment to the original agreement and authorize Scott Murphy to sign the amendment. Motion passed unanimously..**
- E. Scott Murphy advised that Mr. Becker has contributed several masks to the Fire Department.

7. **Review Annual Village Audit with Telling & Hillman Auditors**

- A. Tom Telling said that Telling and Hillman had performed the annual audit on the Village financials. He said that on page 1 of the report, they issued a qualified opinion on activities. Management had not included the Electric Department in the Village's financial statements. Accounting principles require that the Electric Department be presented as a major enterprise fund and the financial information about it be part of the business activities of the Village. He referred to page 11 Balance Sheet of financial report and said that as of June 30, 2020:

Total Assets	<u>\$1,089,142</u>
Total Liabilities	\$1,096,272

Deferred Inflows of Resources (mostly taxes)	\$ 28,390
Fund Balance	\$ -35,520
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$1,089,142</u>

- B. Tom Telling then referred to page 13 – Statement of Revenues, Expenditures and Changes as of June 30, 2020:

Total Revenues	\$533,715
Total Expenditures	\$584,640
Excess of revenues	(\$50,925)
Total Other Financing Sources	\$38,000
Change in fund balance	(\$12,925)
Fund Balance at beginning of year	\$303
Prior period adjustment	(\$22,898)
Fund balance at beginning of year, restated	(\$22,595)
Fund Balance - End of Year	(\$35,520)

- C. Tom Telling referred to page 15 – Statement of Net Position – Proprietary Funds

Total Revenues	Water	Sewer	Total
Total Assets	\$4,266,106	\$7,570,705	\$11,836,811
Total Liabilities	\$1,732,998	\$1,799,337	\$3,532,335
Total Net Position	\$2,441,790	\$5,609,542	\$8,051,332

- D. Tom Telling referred to page 16 – Statements of Revenues Expenses and Changes in Net Position – Proprietary Funds

	Water	Sewer	Total
Total Operating Revenues	\$360,315	\$723,911	\$1,084,226
Total Operating Expenses	\$337,373	\$633,310	\$970,683
Net Income before transfers	(\$6,217)	\$372,125	\$365,908
Net position at beginning of year	\$2,448,007	\$5,275,417	\$7,723,424
Net position at beginning of year	\$2,441,790	\$5,609,542	\$8,051,332

- E. Tom Telling referred to page 27 – Notes to the Financial Statements

Capital Assets as of 6/30/20	\$671,056
Construction in progress	\$15,712,712
Depreciation	(\$5,260,390)
Business activities, assets, net	\$10,605,242

- F. Tom Telling referred to page 28 – Notes to the Financial Statements – Long Term Liabilities

Bonds	\$3,131,627
Compensated Absences	\$13,779
Non-pension Liability	\$112,955

Total long term liabilities	\$3,258,361
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- G. Tom Telling referred to page 3 noting that the Village of Ludlow is in compliance with federal programs and the requirements of federal programs. He said that on page 5, it refers to DEC Clean Water with about \$1,591,000 spent.
- H. David Rose asked if that could be the \$1,591,403 for the Waste Water Treatment Facility upgrade.
- I. Tom Telling said yes.
- J. David Rose asked about the negative \$35,520 listed on page 11 and asked if that was Enterprise and General Fund.
- K. Tom Telling said only General Fund. He said the General Fund has assets of \$1,089,142 and in the liabilities is included \$884,656 owed back to the sewer fund.
- L. David Rose asked how that money was used.
- M. Scott Murphy said they took an advance when they signed the bond, but hadn't received funds yet.
- N. David Rose asked if it would be transferred back to the sewer fund.
- O. Tom Telling said yes, but you don't have enough funds to pay it all back now.
- P. David Rose noted that we should be taking in more.
- Q. Tom Telling referred to page 13 and said there was \$397,741 from taxes in the general fund and the total taken into the fund was \$533,775. You spent \$584,640.
- R. Scott Murphy added that the change in the fund was (\$12,925). This was because when we closed at the end of the year, we paved Smith Street. It was budgeted for FY2021, but was misapplied to FY2020. We left it in and will not use this current year's allowance.
- S. David Rose noted that on page 15, it shows \$4,266,106 as total assets on the Water side.
- T. Earl Washburn said he has not had the chance to read the entire report, but it looks like we are doing okay.
- U. Bob Brandt said he didn't have any questions.
- V. Scott Murphy said that page 4 lists the Financial Highlights of the Report

“Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America.

FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$8,642,480 (i.e., net position), a change of \$430,891 in comparison to the prior year.
- As of the close of the current fiscal year, the governmental activities reported total revenue of \$533,426, a change of \$54,600 in comparison to the prior year
- As of the close of the current fiscal year, the governmental activities reported total expenses of \$468,443, a change of \$(110,521) in comparison to the prior year.

- As of the close of the current fiscal year, the business-type activities reported total revenue of \$1,395,298, a change of \$289,819 in comparison to the prior year.
- As of the close of the current fiscal year, the business-type activities reported total expenses of \$1,029,390, a change of \$71,650 in comparison to the prior year.
- As of the close of the current fiscal year, the governmental funds reported a combined ending fund balance of \$(27,212), a change of \$(12,865) in comparison to the prior year.
- As of the close of the current fiscal year, the general fund's fund balance was \$(35,520) a change of \$(12,925) in comparison to the prior year. The key element of this change is due to an increase in highway and street expenditures
- As of the close of the current fiscal year, the water fund's net position was \$2,441,790 a change of \$(6,217) in comparison to the prior year. The key element of this change is due to an increase in operating and maintenance expense.
- As of the close of the current fiscal year, the sewer fund's net position was \$5,609,542 a change of \$334,125 in comparison to the prior year. The key element of this change is due to the discount on a bond payable of \$214,354"

W. David Rose asked Tom Telling for recommendations for next year.

X. Tom Telling said the Village is very healthy. The proprietary funds are doing well, internal controls show no deficiencies and he has no recommendations. He thanked Scott Murphy and staff for their assistance and cooperation.

8. **Possibly Authorize One Village Trustee to Sign Warrants & Authorize Payments During COVID Restrictions**

- A. David Rose said that the Select Board and the Water Commissioners have authorized one signer for warrants and to authorize payments during COVID Restrictions. The Water Commission did it "until further notice."
- B. **MOTION by Earl Washburn and seconded by Bob Brandt to authorize David Rose to sign warrants and authorize payment until further notice with Bob Brandt ask back-up. Motion passed unanimously.**
- C. Scott Murphy invited Earl Washburn to come in any time to see the warrants.

9. **FY 2022 Budget Discussion or Set a Date to Continue Discussions**

- A. Scott Murphy said there was not much work done on the budget since the last meeting. He said that on page 5, Debt Management, the \$78,742 was for Commonwealth Avenue.
- B. David Rose said it was a pass through.
- C. Scott Murphy said that on page 8, User Fees, was budgeted for \$824, 300, but the actual was only \$714,637.43. This was because the board did not want to overcharge users and did not raise the rates.
- D. David Rose said that the Village Summary on page 6 shows Budgeted Expenditures for FY 2022 as \$565,570 and Revenues of \$232,979, leaving the amount to be raised in taxes at \$332,591 a change of -.14%. He then referred to page 8, the Water Budget and noted that Budgeted Expenditures for FY 2022 as \$816,182 and Revenues of \$774,317, leaving the

amount to be raised in taxes at \$41,865 a change of –145.9%. He asked if we should raise the rates.

- E. Scott Murphy said yes and we can look at them in May. He added that under Debt Management, he has included the first payment on the Wastewater Treatment Facility Upgrade project. He said that he will have a clean revision of the budgets for their next meeting.

10. **Municipal Manager Updates**

- A. Scott Murphy advised that if the bond vote is passed, they will need to have a special meeting to approve the bond applications.
- B. Stone House
 - i. Scott Murphy said the town had hired an appraiser and will be talking to the owner to see where this goes. He said that it also affects the Select Board.

11. **Other Business**

- A. Snow Storm Clean-up
 - i. David Rose complimented the Highway Department staff on the great job they did cleaning up after the snow storm. He added that they are short of help.

12. **Confirm Municipal Manager’s Review**

- A. David Rose advised that he had met with Bruce Schmidt (Select Board Chairman) and Scott Murphy to discuss the Municipal Manager’s Review. We recommend an increase of 3%, retroactive to December 1, 2020.
- B. **MOTION by Bob Brandt and seconded by Earl Washburn to give the Municipal Manager an increase of 3%, retroactive to December 1, 2020. Motion passed unanimously.**

13. **Set Date for Next Meeting**

- A. David Rose said that the next regular meeting will be on Tuesday, February 2, 2021 at 6:00 p.m.

14. **Possible Agenda Items for Next Meeting**

- A. Bond vote discussion
- B. Final budget approval

15. **Sign Warrant Orders**

- A. David Rose advised that he had signed some of the warrants and would come in to sign more.

16. **Possible Executive Session/Personnel/Contracts**

- A. Scott Murphy advised that an Executive Session is not needed.

17. **Adjourn**

- A. **MOTION by Earl Washburn and seconded by Bob Brandt to close the meeting. Motion passed unanimously.**
- B. Meeting adjourned at 7:06 p.m.

Respectfully submitted,

Lisha Klaiber

David Rose, Chairman of Trustees

Earl Washburn, Trustee

Bob Brandt, Trustee