

Village of Buchanan
 Mayor & Board of Trustees
 Regular Meeting
 Monday, January 4, 2010

PRESENT:

Mayor Alfred Donahue
 Trustees Theresa Knickerbocker, Sean Murray, Gail F. Richard and Brian Smith
 Village Attorney Stephanie V. Porteus
 Village Engineer Tim Cronin
 Village Secretary Susan F. Matthews

1. PLEDGE OF ALLEGIANCE:

Mayor Donahue opened the meeting at 7:30 PM, welcomed everyone and informed them of the fire regulations. Members of American Legion Post 274 led the Pledge of Allegiance.

2. SWEAR IN VILLAGE ADMINISTRATOR – KEVIN HAY

New Village Administrator Kevin Hay was sworn in by Mayor Donahue.

Mayor Donahue asked Mr. Hay to give everyone some information about himself. Mr. Hay gave where he came from and his history. He grew up in Pleasantville, NY, and lived there for 30 years. His last position was in the Village of Hastings-on-Hudson where in government he worked as assistant to the Village Manager, working through all the different departments in local government to gain some experience and knowledge of local government. He has a Masters Degree in Public Administration from Mercy College. Mayor Donahue thanked Mr. Hay and wished him luck.

3. APPROVE MINUTES: None until the next meeting.

4. PRESENTATION: American Legion Post 274 re: Montrose V.A. Hospital.
 Mayor Donahue commented that it is not just Veterans fighting to keep the Veterans Administration open. They are going around from towns to villages to cities to get support. Everybody is supporting them. Later the Board will be moving on a resolution

John Nichols (sp) Commander of American Legion Post 274 of Peekskill, NY commented that the reason they were at this meeting is that they are going around handing out petitions to anyone interested in taking them for signatures to support not closing the VA hospital in Montrose. He commented about all the generations of people who have been here for all these years know what is going on down there. It is not a pretty picture. It has been going on for years. It costs a lot of money and nothing is being done. A lot of promises but there is nothing in writing. He spoke about going to meetings and nobody takes notes or minutes. Every time you go back they have everyone who wears suits, they have the politicians from Washington coming up you don't get a definite answer on it. This has been going on for six or seven years. These are CARE package (?) meetings that they have been having. He read the petition to oppose the plans to take over the property of F.D.R. VA Hospital in Montrose and to move much needed Veterans services to distant locations so that the scenic riverside property can be used by profiteers to build luxury housing along the Hudson River. The petition goes on to say that it was in support of Veterans and their families and their need for physical care and support and the healing atmosphere provided by the serenity of this site. Many veterans have resided at this facility and have known it as their only home for many years. All our Veterans have given their all for their country. It is wrong to ask them and their families to have the added burden to travel to long distances to get care and to be displaced to get this assistance and private help. It goes on that they support keeping the current facility and property whole to meet the needs of the current and future Veterans. In the petition, it says they also support the refurbishment and improvement of the facility so our Veterans can receive in-patient and out-patient care. The whole complex stays Veterans and no splitting it into a percent here and there.

This is the way they (the Veterans) are looking to have it. They support it so elderly and homeless can receive long-term care in the hospital and nursing home facilities on the campus so they do not have to go outside to private facilities. These men and women have given their all for their nation and have traveled far to protect us and their homes and they should not have to travel even further for the care that they have earned and they deserve. Mr. Nichols went on to say that this is in reference to Castle Point. They are putting money into Castle Point. They are bringing it up-to-date. At the same time they are hearing nothing about Castle Point being taken apart and doing this and that - it is only here. He commented about people hearing rumors about the luxury real estate at this location and about the builders and luxury enhancement to take over the property. The luxury area will be of no benefit to our Veterans.

If they decide they want to go this way and subdivide and give a parcel of that property to the Vet. It is a kick in the rear end. But our local health care and the support of citizens to keep the hospital facility whole and functioning will benefit those who need care now as well as the untold numbers who will need care in the future. He continued that as everyone knows, the President just signed the papers and designated 40,000 more troops for the problems overseas.

We have people all of over the world 24/7. They will all not be coming back into this area but we do have people

0 in the armed forces that come from New England. When he looks at the Montrose hospital, he looks at the area and considers it New England. He knows they had trouble in Boston in one of the hospitals there. They had trouble in Batavia in the VA hospital there. The women Veterans really need hands on help. The facilities closest to them are out in Buffalo. He is pretty sure but not certain and didn't want to be quoted on it. He is not born and raised here. He is from up State originally. When he came out of the Korean War in 1955, he came down here, saw the VA down here and knew a few people that worked down here. At that time this whole area in the Hudson Valley was vibrant. All businesses small and large worked together. They had everything going for them. There was Standard Coated, Standard Brands, etc. To get back to the hospital, he asked about all the jobs that the hospital generated at that time of about 2,000 or 3,000 when it was going full force and asked where all those jobs went. We they do not have to build the hospital to generate jobs. It is there. Recently people heard that the Town of Cortlandt is going to enhance the train facilities at the station where the State Troopers barracks are, they are talking about putting up a mini mall and walkway going up from the station up to the hospital. He hears all that but does not hear anything about across the road. There are 24-25 buildings down there and they are all empty except for the active part of the hospital when you first go in from the administration building over. When you go past the Chapel down to the river front, it is a very expensive piece of property. You can understand why the developer would like to go in there and have that property. You could build a \$50 million boat basin down there. Then he talked about what it does the Veteran. The position is the Vet - not just yesterday, today, but tomorrow. When they built the hospital facility it was built for a purpose and it served its purpose. Now the purpose and the Veterans do not go away.

They have that problem and they need the help. They need the hospital. They can do it again. The VA hospital in Montrose provided that help. The systems are there. They can provide the help again. The argument was that it was a vacant piece of land. To start building, it would cost million of dollars to put down there what is already existing. It is a drop in the bucket. Mr. Nichols continued that they are looking for help. He went to a lot of meetings down there. He recognizes a few people that he has seen at the meetings. It is all political. We all know that.

He feels sorry for the Veterans. If you go there now, he commented about hearing in the past about smoking and drinking being no good for us. They put that aside, they put the uniforms on and go in harms way. Sometimes he went down there in inclement weather and the Vet was outside smoking a cigarette and drinking coffee. He said to the man in the suit: "Why don't you give these guys a little cubical in one of the buildings? You can rope it off. You can do a lot of things for the Vet. The guy told Mr. Nichols right in front of the Vet that you are not supposed to be smoking. He was right that we should not be doing a lot of things. But, it is a part of life and so is war, the wounded Veteran and the sick Veteran. One more thing what he also says down there when he has a chance to speak that they have to put proper facilities there

now that when the Vets come here, there is enough ample space and buildings already set up and refurbished properly so that if a person has to come from another area so they can stay for 4 or 5 days a week to come to see their sons and daughters. It is the least we can do. Mr. Nichols commented that we spend money out of the machines in Philadelphia and the money goes out in wheel barrels to everything else in the country. Every time we want to do something for the Veteran, we cannot get it. (John Nichols is the Commander of Post 274 in the City of Peekskill).

Fire Chief in the City of Peekskill, Bob Bodey (sp ?), the first Vice Commander of the American Legion, showed what they were going to send out to everybody for their signatures and their support for all the Veterans. Mayor has received some of the copies.

Trustee Murray commented that he had 8 or 9 signed pages.

Mr. Bodey noted that it was going to be handed out to everyone. On behalf of his fellow comrades and members, he thanked everyone for their support.

Mayor Donahue introduced Russell Harrison, who is Buchanan's Chairman of the Veterans. He is a WWII Veteran. He is a representative for the Veterans in Buchanan.

Russ Harrison greeted everyone and especially his fellow Veterans. He shared an experience he had a few months back. He has trouble with his ears, had to clean them out 4 or 5 times a year and generated a lot of wax. He was bringing up a lot of phlegm all day long and half the night. He went to the doctor's office and put a light down his throat and told him he had a pulmonary infection. He asked if he was allergic to anything. Russ told him he did not know and did not think so. The doctor put Mr. Harrison on medicine for a bacterial infection and take it for 3 weeks. He did this for three weeks. On August 30 he told his wife that day that he was gasping for air. The only thing that he put in his body was the sulfa pills the doctor gave him. He said that he would have to stop taking them and he did. It just so happens that the man upstairs was looking after him because just six months before that he made arrangements to have blood work done at the VA. It was on the 30th. The 31st he went there. Two hours later he was home. They called him and told him he had to come down right away to the VA and they had to take some more blood. They did not want to get him excited. They told him he had to come right way so they could check his blood. They checked him in and put him on the computer. The nurses came from all directions. The nurses asked him if he wanted a wheel chair or a gurney. They went down to the emergency room on the first floor. Joann was the head nurse and Denise brought him down. She told him that they had an ambulance waiting for him to take him up to Castle Point. Joann said they do not have time for that and to bring him in right away. They put him on the gurney and put an I.V. in him, told him not to move and lay there for 5 hours. If you have to go to the bathroom they will take him. After a while he started to feel funny and terrible. The family came down and sat with him all day. Towards the afternoon, he felt a little bit better. They discharged him and told him to take something which was to help him out. They did not help too much. He went home. He lost 15 pounds the first week. He lost his appetite. He could not eat. After he felt better for another week, he said he had to go down and thank the nurses for what they did for him. He met Joann and Denise there and put his arms around them and thanked them for letting him stay on this earth for a little longer. He appreciated it for him and his family. He is just one person. Russ said to just imagine what all the other people have to go through. He told his story to show how important it is to try to keep the VA Hospital open and help all the Veterans because they do not have long to go and would like to enjoy the few years they have left.

Mayor Donahue had all the member of Post 274 that came down tonight come up to the podium. They were: George Smith, Jr. Post 274, Past Post Commander; Andrew Daily Post 274; Jeremiah O'Shaughnessy Post 274; John Hinkels, Commander Post 274; Bobby Bodey, First Vice Commander Post 274, Russ Harrison, 31st CBs in the South Pacific, also Chairman of the Buchanan Veterans.

Mayor Donahue thanked all of them.

Mayor Donahue wanted to know all the things that these Veterans do that people might not know of. On Memorial Day, around that time, they put thousands and thousands of flags for every Veteran on the Assumption Cemetery, The Hillside Cemetery and the Jewish Cemeteries and any others ones around here. None of us are getting any younger. They are getting people help them do this. These Veterans also make sure that people do not forget. On Memorial Day and Veterans Day they have a service at the Monument in Peekskill. They do countless hours of volunteer work at the VA hospitals. They are always spreading the word about what a great country America is. Mayor Donahue said that we were very fortunate to have these gentlemen at this meeting tonight.

Mayor Donahue noted that without even talking to them he knows that this Village Board will be supporting the resolution to keep the VA Hospital open. He thanked the Veterans for coming.

5. PRESENTATION: Mr. Paul Cook from office of Andrew Cuomo was unable to attend. This presentation has been postponed.
6. **INFORMATION MEETING** regarding Bonding for Sewage Treatment facility and Resurfacing of Village Roads.

Mayor Donahue held up the document about this noting that it is very lengthy and is about 33 to 35 pages. He commented that we all know that the Sewage Treatment Plant in particular is a mess and the roads are a mess and we have to do something so we are going to have some discussions on this.

Village Attorney Porteus advised that there were 3 people to discuss this: Village Engineer Tim Cronin, bond counsel Tom Meyers, and Fred Testa from the EFC. Hopefully they can answer people's questions as people are speaking.

Mr. Fred Testa noted that he works with the New York State Environmental Facilities Corporation (EFC). EFC is a State benefit corporation. Their mission is twofold. It is to finance environmental improvement projects and provide technical guidance to communities to help develop their projects. They administer a finance program that the Village can use to finance the proposed improvements to the waste water infrastructure. That program is called the Clean Water State Revolving fund. He noted that this is his first time meeting with the Village.

He has been on the phone with Trustee Knickerbocker, Tim Cronin, Jim and Stephanie. He has not met the rest of the Village Board. The finance program that they administer that is available to the Village is the Clean Water State Revolving Fund. Through this program, the Village can receive short-term financing as well as long-term financing for these improvements. The short-term financing consists of a short-term debt with a maximum term of three years. The interest rate they are charging for that right now is 0.69% which is very favorable. The long-term financing which is also available to the Village for this project is an interest bearing loan, a maximum term of 30 years. The interest rate is based on AAA rated bonds that the Environmental Facilities Corporation will sell. This is an advantage to the Village because most likely the Village of Buchanan is not credit worthy of AAA rated bonds so they will be able to access the more affordable bond market interest rate through their office. He knows that plans for the improvements are well underway. He is working with the Village representatives on what needs to be done to enable the Village to be deemed ready for financing from his office. After tonight they are going to have several meetings going forward.

Trustee Murray asked about the long-term rate. Mr. Testa commented that the long-term rate right now, conservative on the high side is 4%. The bond market right now is performing very well. Ideally, the Village would borrow from them short-term first. Upon closing, they would not give them cash up front like was done with a bank; they would give the Village a line of credit. The Village would give them the cost documentation and they would say yes, these are all eligible costs related to the project and they would then wire money to the Village's account. Every time they do that they would be borrowing that much more money from the EFC. When

the project is all done, they would convert the short-term borrowing into a long-term borrowing through a bond sale. They would put Buchanan most likely with other communities for which they are providing long-term money. They would sell bonds with the money they would get from the bond market, pass the interest rate on to the Village and provide those proceeds to the Village. It is a maximum of 30 years.

Trustee Murray commented on the Board having discussed last month that the maximum term was 20 years. He wanted to know where that information might have come from. Mr. Testa advised that there is a related program, the Drinking Water State [? – word was unclear] Revolving Fund, that they also administer for drinking water projects. It has a 20 year term that is available to be extended up to 30 years under certain conditions. You can go out as long as 30 years without a program. Trustee Murray wanted to know, concerning prepayment penalties, if there is a minimum of amount of time they would have to keep this loan, and after they move from short to long term, is the Village locked in to 30 years. Mr. Testa advised if you want to borrow on a long term basis for a period shorter than 30 years, it can be set up. Trustee Murray wanted to know if they have to make a decision now. Mr. Testa advised that it would be best to make it right up front. If the Board settled on 30 years and wanted to pay it off early, he thinks it is possible. He is not certain but is fairly confident that there is no prepayment penalty. Trustee Murray commented that it was his understanding from what was mentioned last month that if they pay it off early, between five and ten years, there is a penalty. Mr. Testa advised that he did not know but could confirm that after this meeting.

Trustee Murray wanted to know if this is just based on the \$1.4 million for the sewer plant. Mr. Testa advised that was correct. Trustee Murray noted that there are two separate bond issues going before the public. Mr. Testa commented that he understood. The second one is the roads issue. He commented that he was strictly talking about improvements to the waste water infrastructure. Unfortunately, they do not have any financing for roads.

Trustee Knickerbocker commented on their earlier discussions about the potential of getting DEC money and from NYSERTA. Mr. Testa commented that as of tonight the Village has applications to the Department of Environmental Conservation to compete for grant funds, monies that can be provided to the Village that need not be repaid. DEC has received about 300 applications state-wide. Buchanan is in the mix. He did not know how long until the DEC determines whom they will offer the grants to. If at any point going forward, the Village was deemed a winner of a grant that does not upset the EFC at all. They would adjust their financing accordingly.

Trustee Murray commented that this might be where a prepayment issue comes in. If the Village's project were to be done at \$1 million and they get a \$300,000 or \$400,000 grant where they do not have to finance it over 30 years or move it down to 20 years, he would hate to get into a prepayment penalty because someone gave the Village free money. Mr. Testa advised that from personal experience working with DEC, within a few months he expects they will be coming out with an announcement of who is getting the money. He believes the Village is not that close to being ready to receive the long term money. They still have to get through design and construction. There is plenty of time for the Village to realize whether or not they will get the DEC grant before they would be ready to receive long term financing.

Trustee Murray wanted to know if all of the engineering costs can be included. Mr. Testa advised that it could, as could legal. The only type of expense for this type of project that would not be eligible for the Clean Water Fund financing are any expenses related to the Village securing title to the property. They are improving existing infrastructure. He trusts that whatever title the Village needs to maintain that infrastructure, it already has.

Trustee Smith wanted to know if there would be a limit on the size of the contingency they could have. Mr. Testa responded typically they like to see 10% pre-bid. Once bids are received, they like to see the contingency go down to 5%. This is a relatively small project in the big scheme of things. But he acknowledged that to the taxpayers of Buchanan, this is not a small project. Trustee Smith commented that it is an older facility. They do not know what will they will find when they start digging around. There might be something serious and structural. Mr. Testa advised that you need to have a contingency amount. Every municipality does. It is in a sense, insurance. They recommend 10%. It is not a number that is fixed. Trustee Smith commented that he would hate to get $\frac{3}{4}$ through and have something major come up that was not anticipated.

Mr. Testa commented that especially with short-term financing, they would not deem any community ready for long term money until at least they had executed construction contracts is because of the uncertainties. It is a line of credit. If the Village applied for the \$1.4 million financing, and they closed on the short term financing for that amount, you do not borrow money until you ask for cash and they provide the money. So at any time thereafter, how much the Village is in debt to EFC is equal to the amount the Village was given in cash. The contingency is important to have in the budget but it is less of a concern so long as it is in there.

Trustee Murray wanted to know when the Village would have to start paying back the low interest loan. Mr. Testa advised that the first principle payment is two years from the date they wire the Village money for the first time. Alternatively if you finish your improvements and they are put into operation, if within 12 months thereafter that happens first, that would be the date of the first principal payment. Trustee Murray wanted to know if that would be based on the 30 year rate. Mr. Testa advised that the first year's principal payment is based on the bond counsel's opinion. They come up with an estimated amount for purposes of filling in the project finance agreement. At that time the Village needs to make a principal payment, EFC contacts your bond counsel to determine the amount of that payment which is due. The bond counsel will make that determination by looking at how money EFC gave to the Village and will render his opinion. EFC will bill the Village for that amount. Trustee Murray commented that would be the first installment payment on a 30 year bond. Trustee Knickerbocker noted that been an earlier discussion about if they wanted to do the payments over a shorter amount of time, would that be a possibility. Mr. Meyers advised that would be the minimum required payment at that time. It is voluntary at that point to pay more. That is the Village's choice. Trustee Murray noted that he thought it was \$130,000 a year. Mr. Testa wanted clarification on if the question was how much would be the first principal payment on the short term borrowing. Trustee Murray commented that he is asking about the short term because when the Village closes this within two years, if they have some loose ends to tie up where they cannot move over to the 30 year bond, he wants to know how much their first payment would be on the short term loan before it is transferred over to the long term. His understanding is that it is based on the minimum payment of a 30 year bond. Mr. Testa advised that it gets confusing because the Village has a construction project where he does not know what the timetable is. Mayor Donahue interjected that it would be quick. Bond Counsel continued that if it is within one year. When they do the loan, he assumes the Village will be drawing down the \$1.4 million right away. A payment is calculated based on that. That would be approximately \$81,000 in principal and interest. A question is will the Village be capitalizing on the interest. There is a year before the project is finished. Has the Board factored into the \$1.4 million dollars interest on the short term loan. It would not be much but it will be interest due and payable before the project is put into service. It is the Board's call to include it or not. Then they would not have to pay the interest because the loan would include the interest component. Assuming no interest is capitalized, it about \$81,000 of debt service over a 30-year period.

Trustee Murray commented that hopefully they would be completing this project rapidly. However, as they know, some projects don't get started on time. He would like to base his opinion on the worst case scenario. Whatever he gets is happiness then.

Bond Counsel commented that if the project is delayed, then payment would be less. It would be based on whatever is drawn to date. You would use that number over the 30-year period.

Mayor Donahue noted that just with the money that we received from the Power Authority or Entergy through a prior agreement that they made with the Village, they would pay towards our maintenance, and last year we got nearly \$67,000. He did not think it would be going down next year. Mayor Donahue continued that it is what we would be getting without going into any other monies. With the money from them through the agreement, every year the Village would be in a very good position using the money the Village is getting for maintenance.

Trustee Murray commented that last month Mayor Donahue said that they would be paying 20% of the maintenance cost. Mayor Donahue said that what he said was that in 1987 when he made the agreement and then they were Indian Point and then Con Edison and the Power Authority, besides giving us \$350,000 right off the top and doing all of the hook ups, they said they would pay roughly 20% of the maintenance and operation of the plant forever. Between 1991 to 2000 we received \$1,114,322. At that rate, if it keeps coming in, it won't be any less, it would be \$66-\$70,000 a year and that would take a lot of burden off the Village taxpayers and residents.

He cannot see if it would be any less. Mayor Donahue commented that he would go and speak to them. They came into our plant and hooked up. They were very generous and maybe they want to be more helpful.

Trustee Murray wanted to know if they already agreed to the 20%, why can't we just knock 20% off the cost and instead of us financing over 20-30 years. Why can't they give the 20% percent up front? Would that be a quarter of million less or \$280,000 less on \$1.4 million at 20%.

Mayor Donahue responded that the \$1.14 million was from 1991.

Trustee Murray counted that he is talking about the project right now. If they have agreed in writing to pay 20% of the cost, why can't we not knock it off the bond right now so the Village does not have to end up financing it. The Village could use still the maintenance money instead of financing the bond.

Mayor Donahue commented that they could do that but he thinks that the situation that the Village is in with money, we are better off to use that money and whatever money we can raise and not take the maintenance money for granted. It is the in best interest of the Village to use the money that way every year and still get a bond or something like that. Mayor Donahue thought it should be done that way. If we have to go 30 years, it is a small amount to pay to have it done. It would not affect the tax payer that heavily.

Trustee Murray commented that he understood that, but maybe he was not getting his point across. If they already agreed to pay 20% of the maintenance cost, we are incurring a \$1.4 million maintenance cost right now. Instead of us borrowing the \$1.4 million, maybe we would only have to borrow \$1.1 million and have Entergy pay us the 20% up front instead of having us spend the maintenance cost they are giving us to debt to pay for the interest. Mayor Donahue commented that he did not think that was the idea at the time. When they hooked up, that was at the time the plant when it was going on. They agreed to pay the maintenance. He does not think they are going to pay for one shot deal and say all of a sudden they are going to be giving us all this money. Trustee Murray commented that if the written agreement says that they are going to pay 20% of the maintenance cost, it would mean they would have to pay it whether it is \$60,000 a year or a maintenance of \$100,000. Right now we are incurring \$1.4 million maintenance cost. Mayor Donahue commented that Trustee Murray worked there and if he wants to go there tell them we want more money, he will take whatever they give us.

Mr. Testa wanted clarification on whether the Village has any outstanding debt related to the wastewater infrastructure as far as he knows. The Village does have an operations maintenance budget which is being funded from the General Fund from tax revenue from the residents of Buchanan and income from the Power Authority. Outside of that, the \$1.4 million is a capital improvement and is a new type of expense, a debt service. This is not to confuse operation maintenance versus debt service. Trustee Murray noted that he understood that.

Trustee Knickerbocker commented that the confusion is that yes we are getting \$67,000 per year from Entergy. The problem is that the \$67,000 is going into our General Fund. That is what is affecting our tax rate. If we are going to take that \$67,000 out and set up a Capital Fund specifically for the sewage treatment plant and that is a whole other issue. That \$67,000 goes into our General Fund right now. Trustee Knickerbocker commented on whether that should that have happened, and noted that it probably should not have. Would we be in this situation at this point and if we made arrangements for the future and said, okay, "x" amount of money would go to the maintenance and whatever of this plant? We could take that \$67,000 and take it out of the General Fund and yes, put it into the sewage treatment plant. She understands that we are getting money.

Mayor Donahue commented what he is saying right now it is evident that we can count on \$65,000 or \$70,000 every year. We know that money is coming in. Whether it goes into the General Fund and we use it there, we still have that money. It is not like we are starting from

scratch. He is not into financing but the money is coming in. Who knows things will get better down the road and we will get grants, etc. The money is there.

Bond Counsel wanted to know, even though the engineer was not present, if the operating and maintenance costs will be going down after the improvement program. Trustee Smith could not say.

Trustee Murray commented that last month they discussed a number of \$130,000 to pay back a 30-year loan of \$1.4 million debt service. Mr. Testa commented that Trustee Murray was asking about the first principal payment. The Mayor was asking the amount at the same time about what would be the annual payment after the long-term financing closes. Trustee Murray wanted to know if it was \$130,000 for 30 years at 4%. Bond Counsel commented that at \$1.4 million we are in the \$80,000 range. Trustee Knickerbocker commented that every year the Village would be paying back over 30 years, \$81,000. Bond Counsel noted that there are laws that prohibit you from low balling and then sticking future generations with a higher amount. Essentially it will be in the \$80,000-\$90,000 range. You can go to \$75,000 to start and escalate to \$85,000 but over time, it is going to be right in that window.

Trustee Knickerbocker commented when we pay it back, this is key, there is a certain percentage of principal that is being paid back or interest, it is not going to balloon us. Bond Counsel commented that no. You are required by law to have a principal component in the debt. The Village can choose to pay principal in higher components and have debt decline or have it more like a mortgage where you pay a lot of interest and a little bit of principal and then the principal increases at each point as the payments are being made. It is a structuring issue. There are a lot of different schedules. The EFC is very good with providing a lot of schedules and providing that analysis. In the short-term, we have a very low interest rate. In this market right now it is well below 1%. The interest right now is not a factor in the short-term. The Village will be forced to move to a long-term at the point you have the project completed and when they have their financing for the pool. That decision will be made for the Village if they have not elected to go in earlier. Then you will be at whatever market rates are available at that point in time.

Mayor Donahue commented that as everyone is aware, especially the Village Attorney and Village Engineer, they are going to the hearing on January 12. The Department of Health has been very fair to us about moving on this. We have to make some movement. The hearing is only a few days off.

Trustee Murray wanted to know how close we are to getting this money and having this credit line available. Mr. Testa commented walked through what work needs to be made by the Village. The team is the Village Board, the Village Administrator, the Village Attorney, your bond counsel and your engineer because all these members have particular roles to play to develop this project and move the Village to a point where they are deemed by the EFC to be ready for financing. The immediate answer is, he is guessing, no less than three months. It is a good chance it is going to longer than that. He noted what has to happen for the Village to be ready for short-term financing with his office. They have to have their reports prepared. They have to be sitting in the regulatory agency's hands. They need to approve that planning report. The Village Board needs to take the proposed improvements and subject them to SEQR to assess the potential adverse environmental impacts. The Village Board must also get a letter from the State Historic Preservation Office as to the chance that this project could adversely impact historic resources. Mr. Testa commented that it is safe to assume that it will not have much of an impact based on the scope of the improvements being planned. The Village Board needs to establish the legal authority to borrow money which they will do through their bond resolution process. Everything associated with the bond resolution, including what he understands to be a mandatory referendum, is tied to the establishment of that legal authority to borrow money. All those events have to happen. EFC has to see the resulting documentation as well as some peripheral application paperwork, which he will be meeting with the team after tonight to go over. Mr. Testa's office can then move the Village's financing within their office to their Board

of Directors for approval, to the statewide Public Authorities Control Board for approval, so they then provide the Village with a financing agreement to sign. So it is going to be at least three months.

Trustee Murray wanted to know what kind of things does the Board need before March because whenever they have to put something on the ballot, the Board of Elections has time frames we have to go through. He wanted to know if they have everything they need between now and the time they must go to the County. Mr. Meyers advised that they have what is the bond resolution, which is the Board saying that in their decision they want the bond for \$1.4 million - which is the number they have right now – and that vote is subject to a mandatory referendum. It is as if a petition were filed forcing the vote. They can say on their own, in their own discretion, they are going to the voters with this decision. Once that is passed, the Clerk is directed to coordinate with the County Board of Elections. There is a form of the ballot proposition that Mr. Meyers provides. It goes into the notice of the election. It is just another proposition that is voted on at the time of the election. That is all handled through Mr. Meyers' office with the clerk administrator's office.

Trustee Murray wanted to know if he was also handling the road bond. Mr. Meyers advised that he was. It is the same procedure.

Trustee Murray asked the members of the Board if they wanted to still go with the sewage treatment plant or switch over to the roads. He did not want to jump around between them. Trustee Knickerbocker commented that while they still had Mr. Testa present they should stay with the sewage treatment plant, then if there were any questions from the public or members of the Board.

Mayor Donahue asked for the comments of the Board members.

Trustee Smith commented that he wanted to get more information and get his head around it but up to this point he is very encouraged. It is making things a lot clearer for himself. He feels that as this project evolves forward, more people are going to get their heads around it and feel more comfortable about voting for or against this necessary improvement. The Board has some time. This information is going to be left in the Village office. People can come by if they want access to it and read it at their leisure. Trustee Murray noted that the Board has a 45 day time frame to notify the Board of Elections, so they have to vote on this tonight. Trustee Smith commented that he understands but that in the mean time, people can still review it and get back to the Board with their concerns.

Mayor Donahue commented that he strongly feels that concerning the sewage treatment plant, we know that we have no alternative. We are being told that what we have to do is mandatory. If you look at the roads, they are not getting any better. When he talks with the Highway Foreman, he is told that it is not just the roads that get destroyed but also the water lines. That causes a problem too. The Mayor feels the opportunity is here to move on both or whatever the Board wants to do. It is not going to go away. The sewage treatment plant is mandatory. The roads are going to get worse and worse and the price will go up. But the Board has to decide.

Trustee Murray wanted to know from Mr. Meyers if the Board has to set a Public Hearing or is this considered to be one. Mr. Meyers advised that there is no requirement for a Public Hearing. They are customarily held but there is no legal requirement for one.

Trustee Knickerbocker wanted to know when they were talking about the \$81,000 did Mr. Meyers break it down per assessment, per home owner, as to what that would be for each per year. She knows that the assessments vary. Mr. Meyers advised that he was working off a number that he was given which is that the assessment for the Village as a whole is roughly \$7,330,000. The sewage cost per 1,000, he calculated as \$11.60 per \$1,000 of assessment. Trustee Knickerbocker commented that using that, if it were a \$3,000 assessment, you would multiply the calculated cost per 1,000 by 3. Trustee Murray wanted to confirm that the number

Mr. Meyers used was \$7,330,000. Mr. Meyers commented that it was. He was shown that our tax rate per 1,000 was \$198.47. Trustee Murray commented that in the last budget the estimated revenue is \$6.7 million. He wanted to know where Mr. Meyers got \$7.3 million. Mr. Meyers advised that is the assessed valuation of all the property in the Village subject to taxation.

Mayor Donahue called for comments from the public.

Nick Zachary, Tate Avenue, wanted to know if the sequencing of the Village's obtaining these loans lessen in any way its likelihood of then getting grant money, since he understands them to be "need based". He wanted to know if there is way to do the sequencing of this so as not to minimize getting the grant money.

Mr. Meyers advised that the way the programs, at least for sewage treatment plant, would work is that they can work in tandem. Setting up a financing alternative, which is a draw down schedule with EFC, does not jeopardize grant funding for that same project. A large percentage of the loans he has worked on over the years have a grant component. EFC will not pre-finance the grant component but you have got the grant sitting there and it is a net funding process. If the grant comes in, it would come in at the tail end to finish the financing. He has worked in tandem with various State agencies so that having an entity to loan you the money would not jeopardize the ability to process the grant application.

Mr. Testa commented that the Village has the grant application sitting with the State Department of Environmental Conservation. He does not expect that if the Village passes this bond resolution tonight and proceeds with the project that it weakens the competitiveness for the grant. The other source of potential grant money the Village is pursuing is through the NY State Energy Research Development Authority (NYSERDA). They have money available to give incentives to communities to incorporate in their improvements energy efficient components. The Village is looking at NYSERDA with the hope of getting some grant funding from them to help pay for some of these expenses. It should not affect EFC's financing at all and in the event the Village proceeds with anything would not jeopardize its ability to access any of those grant funds.

Mr. Zachary wanted to know if there is any chance of being approved for the short-term financing and then when the time came to switch over to the long term financing, of not being approved. Mr. Testa advised that only if the Village does not comply with all the requirements. He noted that he has never seen that happen. The Village can safely presume that if they are given short term money that they are going to get their long term money as long as they finish the project and meet all the requirements. It should not be a concern.

Eileen Absenger, 138 Tate Avenue, commented that no one has mentioned that when this goes to the voters, do they understand that it is a "do or die" situation. She wanted to know if this is voted down, what happens when you have to do this project. The Village has to get the money from some place, either to pay the fines or repair it. These gentlemen have given all the information on how to go about getting the money. She wanted to know if the voters say no, we are not doing this, what is the alternative.

Mayor Donahue responded that there is only one alternative. If it is not passed, the Board is going to raise taxes. Ms. Absenger commented that that has to be explained because it is not being said here. It is an implied understanding. She thinks that everyone has to say that so that the voters know that when it comes to March, we have to pass this for the bond. It was not said before she rose to speak. She commented that each and every one of the Board members should implore the voters to do that.

Trustee Knickerbocker advised that there are some print outs that Village Engineer Tim Cronin prepared with the cost estimates and other information. Copies are available at this meeting and there will be copies at the Village office also.

Village Engineer Tim Cronin commented that he would like to reiterate some points he made at the December Village Board meeting pertaining to the three agencies that oversee the operation of the sewage treatment plant: Westchester County Department of Health, NYS Department of Environmental Conservation (DEC) and the U.S. EPA. They have all issued letters for this past year for the most recent inspection period in which they noted deficiencies that the Village is trying to address with this proposed upgrade. He thinks that right now there is a spirit of cooperation among those agencies and the Village. With the action the Board is taking tonight and the way that this is continuing, they will see that the Village is moving forward in a positive way. He thinks it is important that the momentum we have continues and that it is made clear to these agencies that we are addressing the concerns they raised in their most recent inspection reports.

Trustee Knickerbocker commented that she had received a question from a resident, which was touched on before, about doing this in phases; perhaps \$500,000 each year. She had asked Mr. Cronin if that is do-able or does this project have to be done in one piece. Village Engineer Cronin advised that the technology that is currently implemented at the plant is from the 1950s. It is relatively old and it is an older way to aerate the sludge in the activation tanks. They are proposing upgrade those operations so that it allows the operator more controls over the system to better meet his effluent requirements. Mr. Cronin does not feel that it would be possible or advisable to do it piecemeal as far as doing one side, then the other side. Ultimately, we need to get both sides up and running. He thinks that the costs would go up considerably to break it up into two phases. He does not think it is possible to do half now and half later. It would be like doing two-thirds now and two-thirds later. So you would end spending considerably more if it were broken up over multi periods.

Trustee Murray requested from Mayor Donahue a copy of the 20% agreement that the Mayor referred to from 1987. Mayor Donahue advised that he would have the staff at the Village office get him a copy.

Trustee Knickerbocker thanked Mr. Testa on behalf of the Board and residents. She noted that Mr. Testa drove down here from Albany to meet with us tonight. He been a wealth of information and very helpful. Everyone appreciates that.

Village Attorney Porteus wanted to know if anybody wanted to ask the bond counsel anything about road financing.

Trustee Knickerbocker wanted to know the breakdown of the roads per year.

Mr. Meyers advised that the road project is slightly higher. The Village has a 15 year period over which to finance. You will be financing that not through a AAA rated entity like the EFC but on the Village's own credit. Right now interest rates are very favorable rate. However, the Village has not borrowed in the recent past and does not have a rating. He commented that for the dollar amount involved here, noting that he would guess like a lot of other municipalities, in the state, you do not want a rating. The rating will not appropriately gauge the health and value of the Village. It will be a snapshot and a snapshot at an unfortunate time. There are agencies that do finance unrated municipal credits knowing that municipal credits do not default, at least in New York. Using that, he came up with a number of 1378 using a 4.5% interest rate which is fairly conservative. Last week, they sold an A rated entity at slightly below 4%. Without a rating and with rates the way they are now, a fair gauge is 4.5%. Trustee Knickerbocker commented that is 1378 per 1,000. Mr. Meyers commented that was correct. That was based on the number he was given which he believed was 950,000. Trustee Murray commented that it was 980,000. Village Attorney Porteous advised that 950,000 was what was written down. Mr. Meyers commented that was the structure he used with the sewer over 15 years. The same analysis, the same decision making process would go with the roads. Typically, the Board would short term finance. Right now that would be about 1% for a year until the project – he assumes it is a similar time frame as the sewer. He wanted to know if it would be one year, spend it

quickly, or if it would be over multiple years. Mayor Donahue commented that he would like it to be the same as the sewage treatment plant. Mr. Meyers advised that the Board would probably go through the same analysis of do they borrow at one year at 1%, or borrow it for 15 years knowing that they will spend all this money at rates which are still historically very low rather than if they were to borrow short term and wait a year, where is the market and interest rates at that time? It is a guessing game. He has been advising most of his clients that if they know they are going to spend the money and are ready to do it, to lock in the long term rates today.

Mayor Donahue commented that he does not have to tell anybody that the roads and curbs eventually has to be done either now or at a later date. There are two things that have to be done: the sewage treatment plant and road work. It is up to the voters and this Board.

Trustee Smith commented that he agrees. He favors putting them both on the referendum and let the people vote to decide how much and how important these issues are to them. Concerning the sewage treatment plant, it is basically the carrot or the stick. Which do we want. The bond is going to be a carrot. The stick is going to be a huge increase in taxes and the fines on top of that. He does not think we have any other options but it is still up to the voters to make that decision. It will be another reason to come in and vote in March.

Trustee Richard agreed.

Trustee Knickerbocker commented to let the residents decide. It is their tax dollars. She thinks that over the last couple of months, the Board brought in the Village Engineer and different people to explain the dire situation at the sewage treatment plant. This is really new territory. The Village of Buchanan has been fortunate for so many years. We have not, like many other municipalities, had to float bonds. The useful life of the sewage treatment plant is up now. Unfortunately, we have to do something with that, and that comes with a cost. We have to deal with it and address it. They will get that done this year. She thanked Ms. Absenger for saying this. It is whether the bond gets approved and we pay over 30 years or we start getting into possible fines with the different regulatory agencies. When that happens, the cost is going to escalate. It is up to the tax payers as what they want to do. The Board will put it on the ballot in March and go from there.

Trustee Murray commented that he was in favor of a permissive referendum. That option was taken away. It gave 30 days. He feels it was a better vote than just a one day vote. He considers the permissive referendum more of an opportunity for the Village residents to come in and voice their opinion and ask questions instead of just coming down for one day. If somebody really wanted to vote yes or no and there is a snow storm, their voice cannot be heard. Last month, the Board voted 4-1 to go to a mandatory referendum. That is why we have the mandatory referendum here now. He commented that as the bond counsel stated, the road bond is over 15 years for approximately \$950,000. Trustee Murray thought it was \$980,000 but it is \$950,000. He believes the bond counsel advised that the yearly pay back on the 15 year rate was approximately \$88,000. So that plus the sewage treatment bond at between \$80,000-\$90,000 would be approximately \$175,000 per year to pay back. At our current tax rate, which he believes is 9%, was approximately \$100,000. So if these two bonds were passed, the approximate tax increase just to pay back these loans is in the area of 19%-20%. That is based on the average tax payer. He commented that as everybody knows, everyone's taxes are different. That is one reason why the bond counsel figured it out based on assessed value. Trustee Murray commented that he is going to vote in favor of these resolutions. The option of the permissive referendum was taken away but if we do not do this right now and this gets voted down, the \$1.4 million will have to come out of next year's budget which would cause an immediate tax increase of almost 100%. He commented that if the roads get voted down, they get voted down. We will still be able to flush our toilets. But in order to maintain the sewage system right now, we either pay it over 30 years, 20 years or 1 year. It is going to be up to the voters to do that. In his opinion, it is very important for us to do this over 30 years instead of

immediately. We do not have an option. The Board of Health is going to tell us this is what we have to do. He hopes the resolution will be passed in March and we will go from there.

Village Attorney Porteus when the Board was downstairs earlier talking with the EFC and bond counsel, she believes it came to light that there will be some fees associated with the EFC loan; administrative fees, 1.366% as you take the loan. Therefore, there was some thought that the Board talk with the Village Engineer to build a cushion into the bond. They have it set at 1.4. She believes the Village Engineer would agree that there is some cushion in there. It was suggested that if they go to 1.5, they will not find themselves in a position where they cannot build in the fees and then have to come up with that. She suggested asking the bond counsel if they go from 1.4 to 1.5, is that a huge difference. Trustee Murray noted that he has a \$96,000 miscellaneous [soft ???] cost and on top of that is a \$130,000 contingency. He wanted to know what other fees would not be included in the bond counsel's services and miscellaneous soft costs. Mr. Meyers advised that when you take a loan from the EFC, they charge a fee. Trustee Murray wanted to know if that was or was not in the service fee. He noted \$96,000 is for service fees, soft costs, bond counsel, physical services, planning engineering, local counsel. He wanted to know what other one is in there. Mr. Meyers commented that the question is whether these numbers were drawn up with the EFC in mind as the financing source. He does not know.

Village Engineer Cronin advised that his office put this estimate together. It is \$1.46 million. Essentially, they are asking to round it up to \$1.5 million keeping in mind that the interest and ultimate principal amount will be based on the money the Village takes. He reminded that this is a 50 year old facility. If they get into construction and find that certain things are in need of repair which they have not anticipated when doing the preliminary estimate, it could be covered. If they go with the \$1.4 million and find out there are some miscellaneous items that need to be replaced and modified and suddenly the number goes up to \$1.5 million, they would have to go out to the taxpayers and tax them for that extra \$100,000. If you go to \$1.5 million but only borrow \$1.4 million, you are only paying \$1.4 million back. It is essentially the ceiling. Anything below the ceiling is okay. If they set the ceiling at \$1.4 million, to go above that is going to be very difficult. If they set the ceiling at \$1.5 million, it gives more of a cushion, keeping in mind that it is a very old facility. Trustee Murray commented that the extra \$48,000 is not for an increase on the loan fee. It is for an increase percentage on the contingency. Village Engineer Cronin commented that until there is a detailed analysis and detailed plans and specs, if he had to pick a column as where to place that money, where it would go, he would say it is likely to go into contingency. Trustee Murray wanted to know why they could not change the resolution to say a 15% contingency, as long as that is not illegal, instead of 10%. Mr. Cronin advised that the Board can do whatever contingency it wants. They do need a dollar. The voters need to vote on \$1.4 million or \$1.5 million.

Village Attorney Porteus commented that she did not know if anyone had told them about the fees. There are administrative fees. She does not think they knew that when this was done.

Mr. Testa advised that there are three different fees. One is direct expenses. It is a onetime fee equal to 1.0% of the amount borrowed. The other one is a bond issuance charge that is equal to 0.336% of the amount borrowed. The third is an annual administrative fee that is equal to 0.25%. The direct expense and bond issuance charge is a onetime fee. The Village has two options. When the time comes and that amount of the expense has to be paid, it can pay with cash or roll that expense into its long term financing and pay it off over 30 years with the rest of the expense. The 0.25% administrative fee will be added into the annual debt service amount. It is built into the annual debt service schedule. It is a percent of the principal payment that still is owed. That amount goes down every year. It is a yearly fee.

Trustee Murray wanted to know if there is a reason they do not just put all those into the Village's annual percentage rate instead of breaking it down into separate fees. He wanted to know why we cannot just say we are borrowing \$1.4 million over 30 years at 6% instead of 4% with a .2% for this and a 1% for that. He wanted to know if this 4% is going to cost the Village.

Mr. Testa advised that the interest rate you would be charged for your long term financing is established firmly when EFC sells bonds. If that is 12-18 months from now, that is when the interest rate will be established. Right now, 4% would be a conservatively high estimate of that interest rate. Don Zern, Westchester Ave., commented that in the next 12 or 13 or 20 months, it could go up to 6% or 7%. He wanted to know what happens when inflation hits. Mr. Testa advised that he cannot get anybody in his office to predict interest rates out into the future. It is not a program in which they can fix the interest rate now because their interest rate is established based on what their AAA rated bond sells for. Mr. Zern commented to make it very clear to the Board and the public. Mr. Testa commented that the long term interest rates on the 30 year loan he is estimating right now interest rate is 4%. The interest rate actual will not be fixed until they sell those AAA rated bonds on behalf of the Village of Buchanan. They will not do that until the project is done. 12-18 months, which is what he understands the project schedule is like, is when they would realize an interest rate. 12 to 18 months from now the bond market rate could be such that the interest rate could be higher. Trustee Murray commented that basically, the Board does not have a guarantee on how much the Village would have to pay back. Mr. Testa advised that he is not saying that EFC is guaranteeing a 4% interest rate. Trustee Knickerbocker commented that it goes according to current market rates and that currently they are 4%. Mr. Testa advised that was correct.

Don Zern wanted an explanation of why this has to be expedited. Trustee Murray advised that was one of the reasons he wanted a permissive referendum. It would have knocked 60 or 90 days off the time table.

Trustee Knickerbocker commented that the first two expenses were non-recurring ones. Mr. Testa advised that was correct. They are a onetime charge. Trustee Knickerbocker commented that after that, the third one, the administrative fee which is 0.25% would be each year. So the onetime fee which is 1%, the direct expense, the bond issuance 0.336% of amount borrowed are a onetime shot for the first year. Mr. Testa advised that was correct. Trustee Knickerbocker commented that it is loading the bond. Mr. Testa advised that the first two, the direct expense and the bond issuance charge, can either be rolled into the amount you wish to borrow or you can pay with cash. Trustee Murray wanted to know when does the Board have to make that decision. Mr. Testa advised not until they are ready to go long term. He commented that one budgetary issue to be considered is that if you want to consider paying it off in cash - and he noted that he is not offering this as a recommendation but as an option to consider - when the Board works on next year's budget to consider that possibility as a budget issue. You collect the money in the next fiscal year. It is available. When they go long term, they can just pay off that expense with the cash on hand and avoid paying it off over 30 years.

Trustee Richard commented that her understanding is that the first two fees are not actually imposed until they go long term. Mr. Testa advised that was correct. There are no fees associated with the short term borrowing, just the interest rate.

Mr. Testa commented if there is anything anyone thinks has not been said here, to raise the issue and he will clarify it.

Mr. Meyers commented that part of what he does in interacting with the Village Administrator and financial officers is after this is approved, assuming it is, they will take a look at the markets. Part of their job is to make sure if they see inflationary effects kicking in, if something other than the State program - which he has worked with since its inception, since 1989 and it has been a great program - if there is a better. We have 4% now. The decision will be why do we not lock in right now and we will not go with EFC. He is not saying that will happen but it will be a constant analysis. Even in short term, that is a phenomenal rate. He commented that is almost borrowing free. If you are in the short term and you see the market moving, we will communicate with EFC. We will say you have a deal coming up because they do business as a relatively short term program that they are administering. He commented that just to be clear, the Village did not fall within the appropriate funding line with the State. They provide low

interest, subsidized loans. This is not that program. This is a program that provides you with market rate loans. As a AAA entity, that is “crème de la crème” in the market right now. People want AAA debt. The long term rates are very low on that. So that is a great program. But the analysis will continue to be what is the best interest of the Village and the tax payers with the long term loans of this program. If it is with EFC, great. If not, we will lock in at an appropriate rate given whatever market factors are at play at the moment.

Trustee Knickerbocker wanted to know if you could do the 1% for the long term. Mr. Meyers advised that was \$14,000. Trustee Knickerbocker commented that the 0.336 is minimal.

Mr. Testa commented that to add to what Mr. Meyers commented, if you got EFC’s short term financing and for whatever reason you did not want to go long term from us, you are not obliged to do it. You just pay off what was borrowed from them.

Mayor Donahue called for any further questions or comments. There were none. He thanked everyone for coming. It was very informative, very enlightening and something that just has to be done.

7. **COMMENTS FROM THE FLOOR:** (agenda items only)

8. **OLD BUSINESS:**

a) **RESOLUTION AUTHORIZING BUDGET TRANSFERS TO CLOSE FISCAL YEAR 2007-2008.**

Village Administrator Hay advised that most of the morning and most of the day he went through the transfers one by one. He did not find anything that was out of order. He went through each one of them with the budget in hand. They were all transfers within accounts. He commented that he does not know everything that may have been going on in 2007-2008 and what the previous Village Administrator was doing at the time. When he went through each one of the lines, they were in accounts. He did not see anything out of the ordinary.

Trustee Richard commented that her major concern was that there were several retroactive pays included in it. They close out the fiscal year on May 31. The resolution for the retroactive pay was not until July of the following year, of which the Board put into the Contingency in order to offset that account. She commented that what Village Administrator Jankowski did was back date it a whole year. She does not think he should be allowed to back date the retroactive pay to a year when it was not approved. That is her major concern.

Village Administrator Hay commented that he could talk to the auditor. He can check into that to see if it can be split between the years. Trustee Murray did not feel it could be split because it was not budgeted for that year. Trustee Richard commented that he did not split it because he put it all in one year. They have closed out 2009. There was no retroactive pay included in any of the budget in 2009, even though they budgeted for it. That is her major concern.

Trustee Murray wanted to know how we can fix this. Trustee Knickerbocker commented that this needs to be fixed before they can go into the bond situation. Village Administrator Hay commented that it is hard to say why the previous Administrator did what he did that at the time. Trustee Richard commented on if Trustee Murray wanted to make a Motion to approve it.

A MOTION to approve the budget transfers to close out fiscal year 2007-2008 was made by Trustee Murray.

Trustee Knickerbocker commented on the question that she knows this has gone on quite a while. She wanted to know if Trustee Richard wanted Village Administrator Hay to research some more and would that make him more comfortable. Trustee Richard commented that if the Board does it tonight, she will vote no. She is sure they have enough to pass the Resolution. She is not comfortable with it. Trustee Murray commented that he wants everyone to feel

comfortable too. Village Administrator Hay has only been here for a couple of days. If he says that he has not found a problem with it, he wanted to know if Village Administrator Hay thinks he could resolve this issue. The Board is so many months late with this already. They do not have an auditor. There is no sense of immediacy. If the Board wants to carry it over, Trustee Murray does not have a problem. Mayor Donahue commented in favor of giving Village Administrator Hay another month to research this. The Comptrollers will be coming down.

Trustee Murray rescinded his Motion to close out the fiscal year.

A MOTION to hold this over to the next Village Board meeting was made by Trustee Murray, seconded by Trustee Knickerbocker with all in favor.

9. NEW BUSINESS:

a) PUBLIC HEARING FOR REMOVAL OF NO RIGHT ON RED SIGN AT THE INTERSECTION OF BROADWAY & BLEAKLEY AVENUE.

At 9:03 PM a MOTION to open the Public Hearing was made by Trustee Murray, seconded by Trustee Richard with all in favor.

Mayor Donahue called for comments from the Board and the public.

Mr. John Ritornato commented that as he recalled, back in October it was already established that the sign was going to stay. At last month's Board meeting, he recalled that Trustee Richard wanted it removed. He wanted to know why she wanted it removed.

Trustee Richard commented that doing research in past years, back in 1995, she believes, the Police Chief recommended that the sign be taken down because there was no longer an entrance used to Con Edison. The Board has asked the current Police Chief's opinion. His opinion again is there is no use for it at this point because the reason it went up was because of the Con Edison entrance which is no longer there. It is now up the street; therefore the sign is no longer needed.

Mr. Ritornato commented the reason the sign was put there was not because of the entrance or the restaurant. It was because of the residents. The first five driveways coming around that turn are blind driveways. Next to the restaurant, there is a mentally challenged girl living there. Two houses away from that is a family with six children who are always playing in the front yard. If you take the sign down, there will be a serious problem. It was not put there because of the Indian Point entrance. It was put there because of the residents. When there was no sign there and there was right turn on red, the Village residents could not back out of their driveways. When you come around that turn, you cannot see the driveways.

Mr. Ritornato commented that there are two signs on either end - on Bleakley Avenue and Broadway, and Bleakley Avenue and Albany Post Road - for no semi-tractor trailers. The signs are faded. There are tractor trailers up and down that road all day. He commented that if the Board was worried about the No Turn on Red sign, they should worry about the no tractor trailer signs first.

Trustee Richard commented that is something they will bring to the attention of the Police Department. Also the Highway Department about new signs for the tractor-trailers.

Mr. Ritornato commented that speaking of roads; Bleakley Avenue is about ready to fall into the clay hole. He does not know if anyone has gone over there and looked. All the storm drains starting on the corner of Bleakley Avenue and Broadway are clogged. They have not been sucked out for a long time. The storm drain in front of 280 Bleakley Avenue, the whole road is collapsing into the clay hole. The Village's public parking across from 280 Bleakley Avenue, the whole embankment is off five feet from the center of the road. That road needs serious work.

Trustee Richard commented that she believes it is one of the roads they are trying to get financing for. Trustee Murray advised that Bleakley Avenue is slated for \$460,000 out of that

bond. There are several different things you can do to resurface a road. That one is basically a total rebuild. That is one of the reasons why it is \$460,000.

Mr. Ritornato thanked Trustee Murray. He commented that back in October, Trustee Murray was the only member of the Board who took the time to sit in the parking lot and see that that was such a blind turn. Not only coming out of the restaurant. He commented that right on the Village property, you have elephant ears, those weeds, growing. In the summer time, they are up over the street sign. He has had to personally pay people to cut those weeds down. He has asked the Village to do it and has repeatedly been told they will get to it. He has pictures of the weeds growing over the street sign.

He feels that by taking down the No Right On Red sign, the Board is asking for trouble, especially with those blind driveways. The first five driveways, including the restaurant which is closed, because he remembers at the last Board meeting Trustee Richard commented that the sign was not needed because Johnny Rit's was closed. It was put there for the Village residents because they cannot back out of their driveways. There is the mentally challenged girl next door. He thinks the sign slows the traffic down enormously. He wants the Board to consider not taking that sign down.

Mayor Donahue called on Police Chief Brian Tubbs to comment.

Chief Tubbs commented that Mr. Ritornato's explanation that the sign was originally installed for the residents is new to him. His understanding was that it was originally installed because of cars exiting the Indian Point property. You did not want them turning right on red. That was his original understanding. He commented that with the Right Turn on Red law, and not every motorist obeys the law, says Right on Red is permitted after stopping. Legally the car is supposed to stop at the red light, look and make sure nothing is coming, and then proceed. The other problem is that you have a green light there and cars are taking that right hand turn anyway. He commented if the residents do not want the sign removed, he does not have an opinion either way. He does not have a concern if it is kept up or taken down. It is whatever the members of the Board want after listening to the residents. The Police Department will enforce whatever the Board decides. If the sign stays up, they will have officers there from time to time watching that intersection. If they decide to remove the sign and want to make sure that cars stop before turning right on red, they will have officers there to make sure that is done as well.

Chief Tubbs commented that he understood it would expedite traffic leaving Indian Point by taking it down. The Police Department has someone in front of the plant whom Entergy pays for to direct traffic there. Then there is another person working the vast majority of the time handling the day to day calls of the Village. From time to time, he can be put at that intersection, if the Board takes the sign down, to make sure cars stop at the light each time before turning and not blowing right through it. But he understands Mr. Ritornato's concerns. It is the entirely up to the Board what they want to do.

Mr. Ritornato commented that he does not think the sign is there to expedite people leaving Indian Point so they can get home quicker. He feels the issue here is the Village residents living on that street. Any day, you can come down Broadway and make that turn and tell him if you can see a car coming out of the first five driveways coming out of there. He does not think the issue is getting people out of Indian Point. It is the Village residents and their safety, especially when you have a mentally challenged girl on the second driveway.

He commented that he does go over to the restaurant two or three days each week. The Village's sidewalks coming down Bleakley Avenue by the old Nohai house, for a stretch of about 150 to 200 feet there, are not passable for him. He has to go out into the road in his wheelchair. The weeds are growing over the sidewalk. There are tree limbs blocking the sidewalks. He thinks Bleakley Avenue has been very seriously neglected over the years.

Trustee Richard advised that she knew the area he was talking about. The Board did send a memo to Highway Foreman Jeff Tiernan to clean up that section because somebody complained about it in an e-mail to her. She sent that e-mail to Brian and Jeff and asked them to go over to clean up Bleakley Avenue in that particular section.

Mr. Ritornato commented that because of the weather, he has not gone over there outside recently. He goes over in a van.

Mayor Donahue advised that he personally contacted the Highway Foreman and the Building Inspector because the resident Trustee Richard is referring to sent e-mails. Mayor Donahue talked to him the other day. Mayor Donahue noted that he would check tomorrow with the Highway Foreman to see that it gets done.

Trustee Knickerbocker wanted to know if the Board should talk to those five residents on that road first before they go further. Trustee Murray noted the Public Hearing was going on at the moment and the residents had the opportunity to come out. Trustee Murray concurred with Mr. Ritornato. When people come out of those driveways, they look up and see if the light is red or green. If the light is red, they can come out without any fear of somebody just coming down the road. The entranceway to Con Edison was not closed in 1995; it was closed in 2005. When you go in the back and you look at the way the "No Right On Red" sign was used and the way that you used that light, if you come out of the back of where the restaurant is, the residents upstairs had stated to him, that they only proceed when the light on Bleakley Avenue is red, not green. It would take away the safety factor that they have. There are other residents that do not back out of their driveways unless that light is green. They know that the cars are not coming down. They know that they have to stop. He drives that road every day and when he makes that turn on right, you cannot see the two houses that Mr. Ritornato is talking about. You cannot see it. He comes up on that school bus every time. Just because the restaurant and bar is closed right now, it does not mean that it could not be opened in the future. If the place was going to open up again, the same patrons will be using the same stop light the exact same way it is being used now. He did not see the sense of immediacy to remove the sign immediately. The business has only been closed for the past three months. He sees no reason why the sign can't stay there. It has been there for a very long time. The Board has discussed this over several months. They discussed it over the summer for a couple months and are discussing it now. He does not see the real need to remove the sign at this time.

Mayor Donahue agreed with what Trustee Murray said about the danger. He is right with what was said. At the same time at the Buchanan Circle, you come around the corner by the Halfway house and to make an entrance out of there, to him it is one of the most dangerous situations in the Village and we are not putting up anything to stop it. Mayor Donahue noted that we do have dangerous situations. Yet that building was approved and all kinds of extra apartments and businesses put in. He is afraid that someday there will be a serious accident there. If someone comes out and goes around the curb, there could be a tragedy. He understands there are a lot of unsafe roads. If something is there and it prevents something from happening, maybe it is for the better.

Trustee Smith agreed. Early on, he thought the sign was primarily there to make the intersection safe for people leaving Mr. Ritornato's place. Without him coming to the meeting tonight, he was going to vote to take the sign down. He had no idea it was such an issue for the folks on the roads. Mr. Ritornato commented that former Trustee Gary Bell said it was put there just for the Village residents because they could not back out of their driveways. Also there are school buses to think of.

Chief Tubbs wanted to cut to the chase. He noted that Trustee Murray talked to the residents and his opinion was that after talking to them, leaving that sign there would prevent accidents. Trustee Murray concurred that it would increase public safety by not removing that sign. Chief Tubbs addressed Mr. Ritornato asking him if he believed leaving the sign there would prevent

accidents as well. Mr. Ritornato agreed. Chief Tubbs concluded that the wisest thing to do would be to leave the sign there. The Board agreed and Mayor Donahue thanked him for his opinion.

At 9:07 PM a MOTION to close the Public Hearing was made by Trustee Murray, seconded by Trustee Knickerbocker. Mayor Donahue wanted to know if there was any more discussion and there was none.

Trustee Murray made a MOTION to maintain the sign as it is on the intersection of Broadway and Bleakley Avenue. The Motion was seconded by Trustee Knickerbocker with all in favor and Trustee Richard opposed.

10-01 RESOLUTION STATING RELEASE OF BOND FOR SAV A TREE.

Mayor Donahue read the Resolution (copy attached).

Trustee Murray wanted to know if there is a continuing maintenance bond going on in perpetuation of this. He remembered that there was something about the maintenance to the entranceway during the Planning Board resolutions. Trustee Murray asked whether by releasing this bond, does this mean there are no more bonds whatsoever on Sav A Tree. Village Attorney Porteus believed that it was correct. She commented that they have been making phone calls and they wanted the entire thing released. On Sav A Tree, she commented that they might have had two parking spaces.

Trustee Murray commented that during the whole development phase of the project was all done through a law suit in the late 90's. The land has been subdivided and there was some discussion about maintenance of the entranceways. He wanted to know if the engineer recommended this. Village Attorney Porteus noted that the Village Engineer recommended this.

Trustee Murray commented that the resolution is just about the site plan and the wetlands permit. He asked if the Building Inspector and Highway Supervisor agreed with this. Village Attorney Porteus advised that it was correct that they agreed with this Resolution.

A MOTION to adopt this Resolution was presented was made by Trustee Richard, seconded by Trustee Murray with all in favor and Trustee Smith abstaining.

c) 10-02 RESOLUTION STATING POLLING PLACES AND HOURS FOR VILLAGE ELECTION.

Mayor Donahue read the Resolution (copy attached).

A MOTION to adopt this Resolution as presented was made by Trustee Richard, seconded by Trustee Knickerbocker with all in favor.

d) 10-03 RESOLUTION AUTHORIZING HIRING OF SEASONAL PERSONNEL.

Mayor Donahue read the Resolution (copy attached).

Trustee Murray noted that this person has been held over for a couple of months. People on the Highway Department have been out sick. This is to help the Highway Superintendent pick up the trees and left over from the fall. It is not to increase the size of government but to make up for short-term personnel problems.

Trustee Smith understood that there is still money in the budget line for this individual so it is not costing the Village any extra. Trustee Murray commented that according to the Highway Superintendent stated that he has \$3,000 left in the budget just for this.

Mayor Donahue advised that there is no choice as are three people out. We have a very small crew. This person has been here for a while, does a great job and was recommended by the Highway Foreman. Mayor Donahue recommended that the Board should move on this.

A MOTION to adopt this Resolution as presented was made by Trustee Murray, seconded by Trustee Richard with all in favor.

e) **10-04 RESOLUTION APPOINTING REGISTRAR AND DEPUTY REGISTRAR OF VITAL STATISTICS.**

Mayor Donahue read the Resolution (copy attached).

Trustee Murray commented that it is nice that our Village Administrator is going to stay here for at least another two years.

Mayor Donahue commented that with this position, if somebody is born or someone dies, someone has to sign off on it, so it is a necessary position.

A MOTION to adopt this Resolution as presented was made by Trustee Richard, seconded by Trustee Knickerbocker with all in favor.

f) **10-05 RESOLUTION OPPOSING TAKE OVER OF FDR VETERANS HOSPITAL.**

Mayor Donahue read the Resolution (copy attached). He noted the presentation at the beginning of this meeting. It is very necessary to keep the hospital open.

Mayor Donahue noted that last month he appeared in support of this in the City of Peekskill with his fellow Veterans who are also supporting this 100%.

Trustee Murray reminded residents that this is about the Veterans. If they were to sell or lease the land, which is the plan to lease the land and not to sell it, for the purpose of luxury housing, note that these people who lease the land do not have to pay school or property taxes. Their original plan is to build 300 housing units on leased land, if there are 2 kids a piece, that is 600 students who are going to impact our taxes. It would not impact the rich people's taxes, who could afford to buy that. They would not have to pay the school taxes. The Village residents would have to pay the taxes. Trustee Murray emphasized that it is a two pronged attack that we have to help keep it not only for the Veterans but for the residents too so they do not have to pay to subsidize somebody else. He felt this should be brought up to residents as nobody spoke about it.

Mayor Donahue commented that also what they are doing as an alternative is that they are moving some of the things they offer in Montrose over to the Kingsbridge VA in the Bronx in New York City or Castle Point which is about a 20 mile drive. Mayor Donahue takes his neighbor, Ken MacDonald, a life-long resident, down to the Bronx VA three or four times a months because they moved a department down there. This is about 32 miles each way. It is all right if you can get around. Some people have a hard time to even drive that far. Sometimes there are buses, but if you go on a bus and you have an appointment and miss the bus, you could be there for quite a few hours. This is another reason to support these Veterans who gave so much.

A MOTION to adopt this Resolution as presented was made by Trustee Smith, seconded by Trustee Murray with all in favor.

g) **10-06 BOND RESOLUTION, SUBJECT TO MANDATORY REFERENDUM – ROAD RESURFACING.**

Mayor Donahue read the Resolution (copy attached).

Mayor Donahue noted that a lot has been said about the road resurfacing and the sewage treatment plant.

Village Attorney Porteus commented that she thinks people understand it is for \$950,000. The period of usefulness is 15 years. They went over the finances. Mandatory means it automatically goes to a vote in March. You can vote yes or no.

Village Attorney Porteus advised that another other thing useful for the Board to know is what they are actually doing tonight by passing the bond resolution. There is a notice of requirement that needs to be published. Our clerk has to sign a certification form. What the Board is doing, and if it goes through and the vote is yes, is delegating the authority to an Administrative Clerk Treasurer about the financial issues. If a rate came up or with the EFC and the expenses are too high and you would get a better rate somewhere else, Administrator Hay would be the person. The Board will have to keep in close contact with Administrator Hay. There is no other authority. There are some other things to do with SEQR and other issues. But as far as the financials, this resolution gives the authority to our Administrator Clerk Treasurer. Village Attorney Porteus wanted everyone to be clear because as you read it, it is not all that clear.

Trustee Murray commented that it is stated in the resolution \$1.4 million. We have to change that to \$1.5 million. Village Attorney Porteus noted that Mayor Donahue was doing the roads but he advised that he tied them both together but will speak to both.

Village Attorney Porteus noted that delegating the authority to the Administrator Clerk Treasurer goes to both resolutions.

A MOTION to adopt this Resolution as presented was made by Trustee Richard, seconded by Trustee Smith with all in favor.

h) 10-06 BOND RESOLUTION, SUBJECT TO MANDATORY REFERENDUM – SEWAGE TREATMENT FACILITY.

Mayor Donahue read the Resolution (copy attached). This is about the sewage treatment plant.

He noted that there were people here who were very informative when they spoke about the roads and the sewage treatment plant. There is no question the Board could move on this.

Trustee Murray commented that the resolution states \$1.4 million. The prospectus has \$1.46 million. At the suggestion of the Village Engineer, they wanted to move it to \$1.5 million. He noted that the wording had to be changed. At the direction of the Board, Village Attorney Porteus advised that she will reword this resolution to state \$1.5 million. Trustee Murray noted that they have to add the \$48,000 on the sum line or you would have to change the whole amount if you want to go from a 10% to a 15% contingency. You have to put that money in some place. You just cannot add it.

Village Attorney Porteus will talk to the Village Engineer as well and let them know. She will change the amount. It has to be posted and advertised, so it will be corrected before it is signed and certified.

Trustee Knickerbocker noted that this has to all be finalized 45 days before the election on March 16th. Village Attorney Porteus advised that this will go right away. She will get it certified, posted and advertised immediately and then it will go to the County.

A MOTION to adopt this Resolution as presented was made by Trustee Richard, seconded by Trustee Knickerbocker with all in favor.

i) 10-07 RESOLUTION AUTHORIZING PROPERTY TAX REDUCTION.

Mayor Donahue read the Resolution (copy attached). This is about a filing for an assessment review.

Mayor Donahue agreed that the taxes are very high and the assessments right now are not exactly low either.

Trustee Murray commented that last year when this was done, there was a dollar amount associated for this decrease. Village Attorney Porteus did not have a dollar amount. She will be speaking to Village Administrator Hay to get one. Village Attorney Porteus commented that this

is the assessment and is done by the tax rate. It is several hundred dollars. She does not have an exact dollar amount.

Trustee Murray commented about the people who filed certioraris against the Village last year and wanted to know if this one was retroactive. Village Attorney Porteus advised that this is for next year's tax rolls. This is not a refund. Last year's were. There were 3 or 4. Everyone got a refund for that one. These have no refunds. It is for the next tax year.

Mayor Donahue noted that the judge did not pull any punches, did not want to hear anything. The judge just wanted this thing settled.

A MOTION to adopt this Resolution as presented was made by Trustee Smith seconded by Trustee Murray with all in favor.

6. INFORMATION FROM OFFICERS AND DEPARTMENTS.

- a. Zoning Board Minutes – October & November 2009.

Received and filed.

- b. Attorney's Report:

Village Attorney Porteus reported that there is one proposal for an auditor. She handed it out to the Board before the meeting. Village Attorney Porteus reported that she and Administrator Hay spoke about this and he has another company. They will send a proposal. If anybody has anyone knows of a company who can help, she would appreciate it. She tried getting proposals and had a tough time.

Trustee Murray asked her at last month's meeting about the solid waste tipping fees. The tipping fees are the same. The fees were less the year before.

Trustee Murray wanted to know if there is a reason why he received a charitable donation form for 2006 with the Board package. Village Attorney Porteus did not have one. Mayor Donahue advised that he put it in the folder. He got a copy of that from the PBA. They do a small fund raising every year. They wanted to show him what is necessary to file. They have to file every year. The amount is \$2,000 or \$3,000. Trustee Murray commented that it is a blank form. Mayor Donahue advised that they wanted to show what they do every year. If there is any question about their fund raising. Mostly they give the money away.

Trustee Knickerbocker welcomed Village Administrator Kevin Hay to the Village. The Board is glad to see him. Trustee Knickerbocker had told him that we have a lot of great people in the Village and she felt that he would enjoy working in the Village of Buchanan.

Trustee Knickerbocker wished everybody a healthy, Happy New Year.

Trustee Murray reported that when he reviewed the bills, he noticed that there were two separate bills from DTI Industries. One was for \$1300 and one for \$1000. They have two separate reference numbers on them. The original quoted price was \$495 to \$1,000. He wondered why there were two separate bills for \$2300. The resolution stipulated a maximum amount of \$1500. He wanted to know what it was all about. The Board had received an invoice dated October 14th last month that was also in the package already signed and authorized. He did not know why they had to spend the \$2300.

Trustee Smith commented that they are for two separate hard drives.

Trustee Murray asked that was it not authorized only to recover the Administrator's hard drive.

Trustee Smith commented that originally that was the deal but when they discovered the other external hard drive, it appeared to be damaged. Mayor Donahue made the decision to put them both in one box and get them out in case they could not recover the data off the first one.

Trustee Murray wanted to know if they were allowed to do that. The Board entered into an Executive Session, came out and had a resolution to spend \$1500 or \$1200. Now they have two separate invoices for \$2300.

Mayor Donahue explained that in the first place, they did not know they were going to have to go so deep and that so many things were hidden. Since the same company was doing it, they wanted to continue to do it. There are a lot of concerns. There is also another computer that they have to dig into. He does not know how else they could have done it. Since they were doing it, they could not tell them to stop and that they could only allow them to do so much. It just has to be done. Mayor Donahue noted that as for what Trustee Murray requested, when it is all done, the Board will get a copy of everything that they found which was deleted. They started, it was like starting a job and they could not stop.

Trustee Murray wanted to know why the Board needed a resolution. If they did not need the resolution, they could have just spent the money and not told anybody.

Mayor Donahue commented that for the same reason everything was done to hide what happened over the last six years. It was all deleted from the computer which the previous Board was very close to. Mayor Donahue thought that it was necessary for them to continue. It is up to the Board if they want to pay for it or not. If not, the Board will have to pass another resolution.

Trustee Murray noted that this was a question for counsel. He wanted to know if the Board needs a resolution to expend public funds. Village Attorney Porteus commented that they did need a resolution to expend public funds. Trustee Murray commented that the public funds were expended without a resolution and wanted to know if his interpretation was correct.

Village Attorney Porteus advised that the bills were not paid yet. She suggested that they can only pay or authorize the one the Board passed the resolution for. She did not know what the situation would be if there is no resolution passed and the bill was not paid and it just stayed out there.

Mayor Donahue commented that there is no account and they would not accept an account in the Village to pay for this. Trustee Smith put this on his own credit card. There was nothing set up. He did this on his own.

Trustee Murray commented that Trustee Smith signed as a department head and he wanted to know what department he was the head of. Trustee Smith noted that he was told to sign as the department head and that is where he signed. He was advised to sign as the department head line since he initiated the recovery of the data.

Trustee Murray wanted to know if the Board created a new department for the Village. Mayor Donahue thought they did for the last six years. They signed that. Since this has been commented on, the Board could make another Motion to pay the bill. Trustee Smith noted they could pass another resolution for the other invoice.

Trustee Murray noted that both of the bills were dated the same date. Both of the invoices were 10/14/09. One was authorized and one was not. The Board signed for it last month.

Mayor Donahue noted that it has to be paid. The Board can make a Motion to pay the other bill. If they do not want to pay, they will have to find another way to reimburse Trustee Smith. He went out of his way and put it on his own card because we are so far in the Dark Ages that we do not even have accounts available that anybody would accept.

Trustee Murray commented that the payment is coming out of the same computer expense account. It is labeled the same computer expense account on the invoice. There is \$8200 in that

account. Mayor Donahue commented that the Board will be talking about computers and different accounts that Trustee Murray is well aware of. The Mayor wanted to know if they were going to move on this or make another Motion. Trustee Murray commented that there never was a Motion. He had a question on the bill during his report. Mayor Donahue wanted to know if he felt it should not be paid. Trustee Murray commented that he did not sign it. Mayor Donahue could sign it.

Trustee Knickerbocker commented that there was something said that the information came off of those disks. She wanted to know who has the copies of that information. Village Attorney Porteus did not have it. Trustee Smith noted that Village Administrator Hay has it. Trustee Knickerbocker commented that the information that the Board paid for, \$1300, the Village Administrator has. Mayor Donahue commented that the Village Administrator only has part of it. They do not have it all. He believes it is going to take weeks and weeks to get everything off the computer. Trustee Murray wanted to know if that meant they have not submitted everything they recovered off the hard drive. Trustee Smith advised that we have both hard drives and the data that came off of them. They recovered that data and they are both in Village Administrator Hay's office. Trustee Murray commented that last month the Board was advised that everyone would get a copy of it. He wanted to know if there was a reason they did not get it. Trustee Smith advised that it is all in the Village Administrator's office. He believes they brought another hard drive and put it all on that. But it is available to Trustee Murray.

Trustee Murray wanted to know if there is another DTI contract the Board. There was a suggestion about a laptop. Mayor Donahue advised that it was not a laptop but they do have another computer that is in question. It was given to a private citizen. There is a police investigation going on now. We have contacted Westchester County Police requesting them to send a forensic expert to look into the computer that was returned which is not in working condition. Neither is the disk. It is an on-going investigation. Trustee Murray wanted to know if they will be doing this for free, which is what he hopes. Mayor Donahue advised that the police are handling it. They are talking to him. It has to be done.

Trustee Knickerbocker commented that the total amount of money the Board approved that they were going to spend to do this was up to \$1500. Trustee Murray commented that he did not have his copy of the Resolution with him but he knows it was not anywhere near \$2,000. Trustee Smith recalled it to be \$1,000. Trustee Murray agreed that it was around \$1,000 or \$1500. He could not remember the exact amount. Trustee Knickerbocker commented that the Board approved \$1,000. It is now being said that there was another \$1,000 authorized to pay this company to do the investigation on this and it is off the same computer. Trustee Smith advised that it was an external hard drive attached to this computer. It was damaged at one point.

Trustee Murray commented that he did not know anything about this until he reviewed each one of those bills. He wanted to know why they did not have another Resolution and why everything had to be done in secret. He had no idea about this until he reviewed each of those bills. Trustee Smith commented that he did not believe it was a secret. Trustee Murray commented that he was not told and the Board had authorized expenditure the last time.

Mayor Donahue commented that Trustee Murray keeps making an issue of it but it has to be resolved. Trustee Murray commented that is because he is not getting answers. Mayor Donahue commented that he knows he is not getting answers but there are a lot of things that are told the people that are in Executive Session that should not be told either. They could go on all night to debate that. The Board is either going to pay the bill or not pay it. He wanted to know are they going to pass a Resolution to pay the difference.

Trustee Knickerbocker commented that this points out again how important it is to have more than one meeting a month. This is something that they should all have been on board with and have discussed. She commented that yes, there is further information. Put it out to the Board as to do they want to spend another \$1,000, another \$1500 or whatever it is, because they are

expending taxpayer dollars. They will be held accountable for that. She wanted to know why the Mayor said that \$1,000 was authorized when now you need more money when some of the Board knew and some did not. She feels that is why it so important that they need to have other workshops.

Mayor Donahue commented that he did not agree with her entirely. The Board had workshops for the last six years. They allowed illegal dumping. CK Trucking cost the Village thousands of dollars at the Workshop but there was no record of giving permission to do that at any of the Board meetings. They gave a phone to the former mayor. That was done at a Workshop. There is no record of a resolution or Public Hearing to say that he had a phone. Recently, they found out about a private citizen receiving a computer. That was supposedly done at a Workshop too. No one knew about it. There was not a Resolution passed. He could go on and on. Mayor Donahue commented that since the end of August we did not have a Village Administrator. Mayor Donahue was wearing both hats. He was trying to do what he thought he could do and thought was right. Now we have a Village Administrator on board. Everything is now going to be handled by him. So on this matter, the Board has to either pass a resolution to make up the difference and or not pass it.

Trustee Knickerbocker commented that she did not want to see Trustee Smith out of money but it is expending that money without prior Board approval and not getting the copies of that information. They have paid for half of it now. None of the Board has seen any of that information. She wanted to know if the Village Administrator was aware of any of that information.

Village Administrator Hay advised that he was not made available of the information that was in the computer on his desk.

Trustee Murray commented that the Board has not paid for half of it. The bill they signed for that was to go to DTI. It is in there attached to the packet but what they had authorized is crossed out. On top of it is a "sticky" note attached that says to pay to the order of Brian Smith.

Trustee Murray asked about an update on the Comptroller's report and do we have any idea as to when the Board will get it.

Mayor Donahue advised that he spoke with a representative the other day and the Comptroller has been calling around. They have a lot of concerns. Mayor Donahue brought to their attention about a private citizen having a computer several years ago at his house that was sold to the Buchanan Police Department and somehow wound up at his house. There was no mention at a Board meeting that it ever happened. The Mayor gave them the little information that he had. They are going to come back with a report. They think they are going to come back into the Village because they are finding things that were not brought to their attention before. They are going to look deeper in the Village. He also showed them the voucher that was submitted on the clock which he believes was to make a payment to Griffin ["by"?.....word was unclear] former Trustee Hitney. The Mayor asked them about it. He told them that Trustee Murray had mentioned that the first time he got onto the Board that he would never sign a voucher unless the department head's signature was on it. Mayor Donahue told the people from the Comptroller's office what Trustee Murray said and they agreed with him 100% that no voucher of any kind should be paid unless the department head signed it. They are supposed to get back to the Board shortly to give their report. They may come back here and he thinks they are going to continue the audits.

Trustee Murray commented that they received the report from the court audit. It was several pages long. He believes there was an exit meeting scheduled last week. Trustee Murray was not able to attend. He commented that the Board really does not have a date when the Comptroller's report will be ready. Mayor Donahue commented that the report they got was just a draft. If the Board is going to disagree with it, then they have problems they have to bring up there. They did not get the complete report yet. Mayor Donahue commented that they say they are not too happy

with the way the Village has been run over the years and it sounds very likely that they are going to come back in and do more digging, especially into the computer where everything was deleted by the Village Administrator and the other computer where the Village paid for it and it was at a private citizen's house for several years. The Mayor noted that it was even there when he was elected mayor and he did not even know that they had a person with that computer at his house. As soon as it is out, Trustee Murray, the entire Board and the whole Village will receive the report.

Trustee Murray commented that while reviewing the bills, he noticed that the fire house has not received a payment since October. He wanted to know if there was a reason why they have not been paid their monthly payment. They only have November's voucher in there so he is assuming that the Fire Department has not received their contractual agreement since October.

Mayor Donahue commented that he was the Acting Administrator and no one came over to him and said anything. If they had brought it to his attention, he would have signed the check and paid it. The first time it was brought to his attention was by Trustee Murray. He talked to the President and other Fire Department officers and no one said a word about it. Trustee Murray saw November's in there while reviewing the bills. He did not see December's or January's. Maybe he is wrong. Mayor Donahue advised that if they had come to the Board, they will be paid. If they had said something before, he would have paid them.

Trustee Murray thanked the Fire Department for hosting their Christmas party. Every year, they have a Christmas party for the children. All the residents are welcome to come. The children all get free toys. Everything the fire house gives out is donated from local businesses or from cash donations. Whatever is left over goes to Toys For Tots. He thanked them very much for hosting that every year. He and Trustee Knickerbocker were there. It was well attended. It is nice to see the public come out. The businesses do give back to the community.

Trustee Murray reported that yesterday he, Mayor Donahue and Trustee Knickerbocker attended the swearing in ceremony of the Town of Cortlandt Town Board and Judge. He wishes them the best. Like all municipalities they have their challenges but he believes they are up to it.

Trustee Murray received questions from some residents about the Village Christmas Tree Lighting on t.v. He knows we did not have a problem with the videotaping. There were some broadcast issues. He knows it is customary to only play the things once a month. He wanted to know if they could do something a little bit better and play the Christmas Tree Lighting for another month. He wanted to know if any other Board member had an issue with that. He believes there were some technical difficulties with the machine in the Village office. A lot of residents asked him when it would be on. He knows that Mike Baisley tries to take care of that and that sometimes there is an issue. Village Administrator Hay advised that he will talk to Mike Baisley tomorrow.

Trustee Murray reported on the Recreation Supervisor's job which is open. The Board closed the date on December 31. They received three applications. He knows it is getting late this evening but he wanted to know if the Board wished to go into Executive Session to discuss the resumes that were received in order to fill the position. It is a vital position in the Village with the upcoming pool and day camp. It is necessary to fill it. It is a Civil Service job. They would have to file all the permits with the State and the County for the operation of the Village's Recreation Department.

Mayor Donahue commented that now that the Village has an Administrator in place, he advised the staff in the Village office to give copies of all the applicants' resumes to the Board and Village Administrator. He feels that the Village Administrator should look them over to see which ones are fully qualified. As soon as he makes a determination, a Special Meeting would be called to start interviewing the candidates.

Trustee Murray commented that he wanted to impress on the Village Administrator the time sensitivity because there is a certain time frame where you have to have certain things filed with the Department of Health and Westchester County. He does not know if the Village Administrator can sign for them or not. It has been the responsibility of the Recreation Supervisor to perform those tasks. It is very time sensitive. He will speak with Village Administrator Hay later.

Mayor Donahue did not feel it was necessary to enter into Executive Session because we have a Village Administrator who can look the resumes over tomorrow and decide which ones fit the qualifications. As soon as he says, the Board will call for a Special Meeting in the next few days.

Trustee Knickerbocker commented on the salary being \$15,000. She wanted to know is that really a position that is necessary. They could be saving \$15,000.

Trustee Murray commented that it is up to the Board. They have advertised that they are going to fill the position. They have been advised by the office staff and previous Village Administrator that it is a needed position. If the County will allow the Village not to have that position, they might be able to get away from it. It is a Civil Service position and there are people who have been filling it. It is a part-time position for \$15,000.

Mayor Donahue commented that he feels the position is necessary. There is the summer camp with the children and activities all year long. Somebody has to handle these things. There will be all kinds of applications coming in for the summer day camp, pool permits and boat permits. The Village has to have someone to handle that and do that alone.

Trustee Murray commented that the Recreation Supervisor also schedules all the events on the Village grounds including the pavilion and ball fields. They take care of all the special events within the Village such as the Christmas tree lighting and party, and the Easter Egg Hunt. Anything like that has to do outside of the Village government, the Recreation Supervisor has to take care of. Trustee Murray hates to put that extra task on the Village Administrator and Village office staff. Mayor Donahue commented that you cannot expect the office staff to do it. Trustee Murray commented that was why he thinks it is necessary to have a Recreation Supervisor.

Trustee Knickerbocker commented that she wanted to put the question out there because she was looking to see if this was a place where the Board could save some money. She has her answer and she thanked the Board members.

Trustee Smith reported that he spoke to Highway Foreman Jeff Tiernan to ask how the new salt shed was working out. Mr. Tiernan is very happy with it. Trustee Smith commented that it was a big safety issue before because it was not properly covered. Moisture or water would get on the salt and it would ice up. That created a real issue for the men trying to get the salt on the truck safely. When the trucks tried to spread it properly, it would be a big mess of frozen salt. It did not go through the machine. Mr. Tiernan is very happy with the salt shed. So far, the equipment is still running fine with no big issues there. He did mention that it is very important to get a temporary person. There is money in the budget. He appreciates that since they are short staffed at the moment.

Trustee Richard wanted to know if Village Administrator Hay he is familiar with the KDS accounting system the Village uses. Village Administrator Hay advised that is not the system he used before. He used a different system in Hastings-on-Hudson. He advised that Cindy in the Village office is showing him little bits and pieces of the KDS system.

Trustee Richard commented that she thinks one of the complaints from the State auditors is that the Village's system is outdated. KDS will not support it. It is time to upgrade it so they have to go on-line. Cindy did get a quote from the KDS information system. Trustee Richard wanted to

know if Village Administrator Hay got to see that quote or not. Village Administrator Hay advised that he did see it. He was reviewing that system and also seeing that we are going to need internet access by her desk to learn this because it is a Windows based system.

Trustee Richard commented that he was also going to have to purchase an updated computer for her. Trustee Richard sees the cost as roughly \$9,000. There is still a budget of \$11,000 for equipment. She believes this is something the Board should move on rather than wait on rather than wait for the NYS audit to come back and say they should do it. The fact that it is \$9,000, they do not have to put it out to bid. They could just expense it. She wanted to know do they need a resolution. It is the Village's whole accounting system. Village Attorney Porteus wanted to know if that included the computer. Trustee Richard commented that the computer was roughly \$2800. There was one for \$2900. The total service investment was \$6,090. There is a yearly, annual software. She wanted to know if they need a resolution to do that or can the Board just authorize Village Administrator Hay to do it.

Trustee Murray wanted to know what budget line Trustee Richard was referring to with the extra money. Trustee Richard advised that it was under Computer System. She referred him to the line where there was \$11,000 still left. It was the one the Board did tonight, 0466. Trustee Murray advised that was 466 which was for \$13,000. Trustee Richard commented that was what they had budgeted. Trustee Murray commented that the other \$2300 came out of it to pay for the computer investigation. Trustee Richard commented that they were down to about \$10,000. It is a system that the Village needs. They have no choice. It is budgeted. Trustee Murray commented that he did not see why they would need a resolution if it was budgeted. Trustee Richard wanted to know if the Board needed a resolution or could they just authorize the Village Administrator to do it. Village Attorney Porteus commented on if they have spoken to the new Village Administrator enough about the system itself, using it and who uses it. She wanted to know if the upgrade is just upgrading what the Village already has. Trustee Richard commented that it upgrades what the Village has now. It is the accounting system for everything that is done in the Village office. It is necessary to be on-line to do direct deposit as far as pay checks are concerned. It is so outdated that they will not give us support if something goes down on that machine at this point. Village Attorney Porteus noted that the Comptroller did have an issue with it. Trustee Richard commented that they wanted all our documents sent up through the internet but we do not have that access. They had to come down to look at the actual physical documents. That was one of their major complaints. Village Attorney Porteus wanted to know if this would take care of those issues. Trustee Richard advised that it would.

Trustee Knickerbocker wanted to know if KDS is the best system that we can use. Trustee Richard commented that when she talked to the Village office staff, to change the system at this point would be more expensive than to upgrade what we have got, and they are used to working with it at this point. They would have to re-input everything and you would have to maintain the two systems because all the old information would be under the KDS. So if you started a new system, you would have to have two sets of files for a while. So the KDS would be the better way to go.

Trustee Knickerbocker wanted to know how much was the other system like the one that Village Administrator Hay was used to in Hastings-on-Hudson. Trustee Richard was not familiar with that.

Village Administrator Hay advised that he used Infomatic based out of Poughkeepsie. He will call them and get a quote for a similar system for the Village. He has talked with Cindy and she was comfortable with the system. He talked with other IT people in his previous position. They said KDS is a good system. So he is willing to learn the system, especially since she was already comfortable with it. She would be using it much more than he would. He would be using it primarily to look at account codes. She would be using it for the payroll. He felt comfortable going with the KDS system. But he will also get a price for the Infomatic system as well.

Trustee Richard commented that she hates to upset the apple cart in the Village office. If Cindy is familiar with it and she has been doing a great job as far as all the information Trustee Richard has been asking for, at this point she feels they should stay with it and upgrade it today rather than wait for the NYS auditor to come back and say that they had to do it.

Trustee Knickerbocker commented that since we are right at ground level, she wanted to get the best system we could afford to get and people can be comfortable with it. Trustee Richard was all for telling him to do this. Trustee Murray noted that it was budgeted for. Trustee Richard noted that it is under \$10,000 so it does not have to go out to bid.

Mayor's Report

Mayor Donahue reported that he had the privilege of joining fellow Veterans at a Christmas party for the Veterans at the VA Hospital. Veterans from all over the county were there. They donated money and brought in goodies for all the Veterans.

Mayor Donahue reported that, as Trustee Murray reported, he was at the ceremony for the elected officials of the Town of Cortlandt. Prior to that, on behalf of the Village, he was invited to the inauguration of the new County Executive Rob Asterino at Purchase College. The Mayor was there and had the opportunity to meet several of the County Commissioners, especially the new Commissioner of Police who was the former Chief of Police in Dobbs Ferry. He is also a former attorney. Also present were Senator Chuck Schumer, Congresswoman Lowey and District Attorney Di Fiore. There were about 1500 people present. Mayor Donahue commented that it was nice to see that the Village has a friend whom he has known for years, as the new County Executive. Mayor Donahue wished him well and hoped that things work out well for the County of Westchester and especially the Village of Buchanan.

Mayor Donahue read a letter from Police Chief Tubbs concerning the appointment of a Detective. Since the retirement of Det. Stephen Piehler, this position has been vacant. Chief Tubbs recommends the appointment of Dominic Benedetti (sp?) as Detective as of January 1, 2010. Chief Tubbs hopes the appointment will be approved. Officer Benedetti (sp) has been a member of the Buchanan Police Department for six years and has 20 plus years in police work.

The Board was unanimously in favor of this appointment.

7. COMMENTS FROM THE FLOOR:

Nick Zachary, Tate Avenue, commented on the issue of expenses related to the data recovery that was discussed earlier in the meeting. He assumes that the Village Administrator usually signs the checks and pays the bills. He wanted to know if there is a precedent for a Village employee or representative using a personal credit card to pay for Village business. It seems strange to him.

Mayor Donahue advised that there is no other system set up in the Village. They tried to have it done through a voucher system but the company would not accept it. There was no other way to do it. Trustee Smith volunteered his own credit card. They had to do the same thing with Staples where there was a problem with the account out there. They needed material. The Mayor commented that Mike Baisley went out to purchase different things and they said they did not think much of the Village's account so they had to use his credit card to purchase items that were necessary. They are hoping that with the new Village Administrator, we can get more up to date and open more lines. Mayor Donahue commented that when they got the phone for the mayor, that was done under the Police Department. Actually, they should have set up an account instead of going that way. The latest thing was they got the computer for a private citizen. It was sold to the Police Department according to the voucher. The Mayor commented that for things like that, they have set up other means instead of going in that direction. With the new Village Administrator, he has a lot on his table. These are things he has to look into.

Jane Hitney, 12 Lake Drive, welcomed new Village Administrator Hay. She wished him a long and profitable career. In her position as Chairperson of the Clock Committee, she wants to meet with him sometime to discuss their final grant reimbursement of approximately \$5,000 which they got through the NYS Department of State and Senator Leibell. The money was paid to the Village of Buchanan and that is how the Department of State set up that account. She has been trying to access that money to pay the bill for the monument. She is assuming that the voucher was not laid out for the signatures. There is no budget code and no department head on it. She hopes they will give Griffin Landscaping the \$2,025 they are requesting. It is the right thing to do. The work was done in October. The bill was submitted and the money is sitting in the account in the Village. She commented that maybe she could have five minutes where they can figure out how to get the bill paid.

Mayor Donahue advised that the money in the account and was in favor of her sitting down with the Village Administrator.

8. **ADJOURNMENT:**

At 10:14 PM a MOTION to adjourn this meeting was made by Trustee Richard, seconded by Trustee Knickerbocker with all in favor.

9. **AUDIT OF BILLS:**

General Fund: _____ Water Fund: _____

Capital Fund: _____ T&A Fund: _____

See Abstract of Audited Claim Vouchers for details.

Kevin Hay