

REGULAR MEETING, TOWN BOARD, TOWN OF LITTLE FALLS, OCTOBER 13, 2021

A Regular meeting of the Town Board, Town of Little Falls was held on October 13, 2021 at the town hall commencing at 7:05 p.m. with the following members present:

Present: Supervisor Dan Casler
Councilman Mitchell Soules
Councilman Kirk Schwasnick
Councilman Kevin Sullivan
Councilman Eric Gehring

Others Present: Town Clerk, Sandra Regan; Highway Superintendent, Donald Cotton; Clete McLaughlin.

-Note: Date of meeting was moved from the 12th to the 13th. Notice of such was published in the Times Telegram Newspaper on September 24, 2021.

-Supervisor Casler called the meeting to order directing the clerk to call the roll.

RESOLUTION #71

Minute Approval

On motion of Councilman Sullivan, seconded by Councilman Schwasnick, the following resolution was ADOPTED-vote:

Ayes-Supervisor Casler; Councilmen Soules, Schwasnick, Sullivan, Gehring
Noes-0

RESOLVED that the minutes of the previous month's meetings, as submitted by the clerk, hereby be approved.

-Privilege of the floor was granted to those present. There were no comments.

-Supervisor Casler read a letter to the board introducing, Mr. Clete McLaughlin, former business manager at the Little Falls School District for 36 years, as follows:

"I called on Clete to tap into his knowledge on business and budgets. I value his professional opinions 100%. I take dealing with the Town's finance quite seriously, as I know Clete did with the school's finances. I respect his professional decisions and how he presented budgets in the 17 years I worked with him on the Board of Education.

I've asked him to assist me in assessing where we are entering the 2022 budget season and how we can accomplish maintaining the levels of service we've been accustomed to, especially in regard to the highway department.

It is my goal as supervisor to continue to have a "healthy" fund balance, continue to maintain a top of the line fleet of machinery, and to continue being fiscally responsible to the taxpayers I, and we, represent.

In reassessing where we are at this point, it may not be as bad as I initially thought after reviewing the AUD and our preliminary budget numbers. However, it still remains that expenses are outpacing revenues, and we can't continue to expend the fund balance. Taxes will need to be raised approximately 4% rather than the allowed 2%, this means \$17,000, instead of \$8,500+."

-Mr. McLaughlin addressed the board stating that he had been asked by Supervisor Casler to look at the town budget and offer some guidance, that he'd had been given a copy of Supervisor Casler's

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2022 budget draft and asked what it meant in regards to the tax levy, which at that point you were looking at a 45% increase in the tax levy in order to balance the budget.

Mr. McLaughlin stated that after becoming familiar with the town's finances, studying last year's financial report and the several spread sheets Supervisor Casler he had given him, he surmised that when the 2021 budget was originally adopted, the appropriations side of the budget were significantly higher than the revenues side, which would mandate taking \$210,000 from the general fund's fund balance in order to balance that, and going forward there wouldn't be any fund balance left.

Mr. McLaughlin stated that when evaluating the budget, he noticed there were a number of appropriations that were approved, that showed a number of increases last year that were never spent, so his idea was to identify those areas of the budget that you can basically freeze, and adjust the budget; so he produced an adjusted budget that he thinks is a reasonable plan that would get the town through the rest of the year, assuming there's no unforeseen expenditures, and not necessitate getting into the fund balance at all.

Mr. McLaughlin, referencing his handouts, stated that you have revenues of \$590,535 and appropriations of \$800,535, so you have a \$210,000 shortfall, which apparently Dave Reed, when he finished your financial statement, made the assumption that that would have to come out of the general fund's fund balance, so in the report that went to the state, there shows a revenue in the highway fund as a transfer from the general fund of \$210,000. After looking at what your actual expenses through October 5th of this year was and comparing them to what the budget is; you can identify a number of areas where there seems to be some significant differences, which are all on the expenditures side of the ledger. For example, in the Perm Improve Highway account you had \$60,000, but you actually only spent \$9,194, so I adjusted that back to \$15,000, which would give Highway Superintendent Cotton approximately \$6,000 to get through the rest of the year.

Mr. McLaughlin stated that with the adjusted budget you have total appropriations of \$600,000. You started the year in the highway fund with a fund balance of \$30,000, with that \$30,000 in the adjusted budget, your balance, without having to draw anything from the general fund, will still remain with the \$326,000 in the general fund going forward. That the key is to keep within these numbers for the rest of the year which he thinks is doable.

Mr. McLaughlin stated that they took those numbers, for the purpose of discussion, and put together a proposed budget for 2022. That that budget, as it sits, will necessitate \$142,000 coming from the general fund fund balance, but you'll notice that some of the hi-lighted numbers on the expenditures side, he thinks, can be cut back to a more reasonable level and get to a 2022 budget in the highway fund that's balanced and not necessitate any change over or transfer in from the general fund.

Mr. McLaughlin stated that he prepared a five-year summary of the revenues and expenditures in both the general and highway fund, which can be used as a guide while discussing the budget; that the intent is to stay away from the fund balance as much as you can, it is a sign of the health of a municipality.

Mr. McLaughlin stated that he enjoyed working on this, did this as a favor to Supervisor Casler, and is willing to continue and sit in with the board at anytime.

Supervisor Casler thanked Mr. McLaughlin and stated that the Supervisor position requires quite a bit of financial knowledge and he appreciates having another set of eyes.

Mr. McLaughlin stated that it's easy to make mistakes, that he and Supervisor Casler discussed the idea of establishing a town treasurer position; that he sees it as being something more consistent. That right now, your working with Mrs. Kula and Reeds, whom he doesn't think communicate very well some times; that there's a lot of hands involved, and he thinks it would be best suited if there was one individual responsible for all of it.

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Supervisor Casler stated that the state mandates that the AUD be done by an accountant. Mr. McLaughlin stated that he looked at the AUD thoroughly and it's similar to what the school district had to file every year, but it needs to be understood that it's not an audit report, it's simply Reed's firm taking the numbers the town provides and putting them in a format and submitting them; that they do verify some of them, but he would caution you on referring it as AUD report.

Supervisor Casler asked Mr. McLaughlin to go over the payroll liability issue of the \$71,000 that goes back a long time and what he thinks should be done with it.

Mr. McLaughlin stated that there was a phone conversation with Mrs. Kula, that apparently when Reeds had finished the financial report, there were some adjustments made to the fund balance in lump sums. Mr. McLaughlin stated that there was a \$20,000 lump sum adjustment in the town's favor and that Mrs. Kula made it sound like there had been some, he doesn't want to call them errors, but rather, oversights in the past in reconciling the bank statements and that there were items that were thought as outstanding checks that were actually not outstanding, so obviously, there was more cash in the checking account that couldn't be accounted for, so they made a one-time adjustment of \$20,000 and put it back in the fund balance on one line item.

Mr. McLaughlin stated that Mrs. Kula was trying to get Reeds to give her the details, but they're not going to do this because if they have to go back and search for that money, it would take a tremendous amount of time, which would translate to a big bill on your desk. That they basically indentified the amount of money involved and they just made a lump sum adjustment for it, so at that point, it should be pretty much reconciled and going forward there wouldn't necessarily be any more adjustments like that. Fortunately it was an adjustment in the town's favor.

Supervisor Casler thanked Mr. McLaughlin for the explanation of the budget. Mr. McLaughlin stated that he'd be glad to help the town.

Supervisor Casler stated that he's been toying around the idea of getting the new loader done this year, that he'd have two BAN payments next year, that Superintendent Cotton has \$38,000 available to still use from CHIPS which will help.

Mr. McLaughlin asked if you have to report the CHIPS money spent directly to the state. Superintendent Cotton stated that you have to spend it to get it; that he had \$77,000 coming from three different programs, that we used a little bit from one, the other two are wiped out because one is Pave NY, the other Extreme Recovery, and you can't use them on machinery. The other is CHIPS which is what the balance is from. Superintendent Cotton stated that he always tries to use all that money every year for the fact that it makes the town look like it needs it, but you can have the money roll over.

Mr. McLaughlin stated that he and Supervisor Casler had discussed an approach to that; that after that's built in your budget, you just leave it there, that when something's paid off just roll over and get another piece of equipment, so you're constantly updating your equipment going forward, that's the way the school used to do it.

-Councilman Soules, referencing the \$71,000 liability issue, stated Mr. McLaughlin explained the \$20,000, but questioned where the balance is.

Mr. McLaughlin stated that he didn't know there was \$71,000. Supervisor Casler stated that this goes back to when Councilman Beadle was on the town board, that when he ran the first profit and loss sheet there was a \$71,000 payroll liability, which was kind of like an operation of all the bank reconciliations and a conglomeration of a lot of things.

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The board questioned if it still shows it being owed. Supervisor Casler stated that he didn't talk about this with Mr. McLaughlin, that he thinks it's another one of those things that Reed is just going to have to make an adjustment with.

Councilman Schwasnich asked if it's showed up in prior years since he didn't recall discussing this. Supervisor Casler stated that he didn't recall, that he didn't know if it showed up at all really, but that it had showed up on a profit and loss statement and he thinks this happened when the banks got changed, that it was before his time and he doesn't know.

-Councilman Soules stated that Superintendent Cotton says he has \$38,000 to use and asked if that has been figured into the budget.

Mr. McLaughlin stated that if you look at the numbers, you'll see in the adjusted budget, that there's still in most cases, a pool of money left. That he had no knowledge of what the plans were and that he didn't adjust the budget to the exact figures. That there's still some play in there, and if you get through the end of the year you can expect there to be some surplus in there.

Supervisor Casler stated that you can question how the budget got inflated last year, but looking ahead it's always a crap shoot like throwing a dart at a dart board with a blind fold on.

Mr. McLaughlin stated that it's important to get a clear starting point and go forward from there.

There being no further questions, Mr. McLaughlin left the meeting.

-Supervisor Casler distributed a Profit and Loss Report and reviewed some of the accounts noting revisions that he was going to make. Discussion was held on the Report with the board stating that they needed to have the revised report in order to understand it.

Supervisor Monthly Report:

Supervisor Casler Reported:

-That he handed out a Profit and Loss Report for the board's review. Supervisor Casler reviewed some of the accounts noting some changes he was going to make to some of the figures. The board reviewed and discussed the report, stating that they needed to have the correct report in front of them when reviewing it.

-That a letter had been received from Gordian informing the town that they are available to assist with bid contracts for construction projects if needed.

-That the Department of Public Service has a Broadband survey going on to collect data from consumers regarding internet service.

-That he and Superintendent reached out to Buell Fuel and received a proposal for the purchase of fuel. Discussion was held on whether or not it was necessary to go through the bidding process. After discussion it was decided to consult with Attorney Macri on this issue. No action was taken and this matter was tabled.

-That he, Councilman Sullivan and Superintendent Cotton met with Herkimer County Budget Officer, Sherri Ferdula, regarding ARP Funds. That Mrs. Ferdula provided a list of eligible uses and stated that the easiest things to account for are highway expenses and improvements and that he has about \$29,000 worth of bills that he thinks ARP can be used for.

Discussion was held on how to spend the money with no formal decision being made.

-Supervisor Casler motioned for approval of his monthly financial report stating that the Profit and Loss Report he submitted and Mr. McLaughlin's handouts are to be considered as his monthly financial report.

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RESOLUTION #72

Supervisor Monthly Financial Report

On motion of Councilman Schwasnick, seconded by Councilman Sullivan, the following resolution was ADOPTED:

Ayes-Supervisor Casler; Councilmen Soules, Schwasnick, Sullivan, Gehring
Noes-0

WHEREAS Supervisor Casler has directed that his Profit and Loss Statement for the Month of January through October 13, 2021 and Mr. Clete McLaughlin's Highway Fund Starting Fund Balance Revenues and Expenditures Statements be considered as his monthly financial report, be it

RESOLVED that Supervisor's Monthly Financial Report, as submitted, hereby be approved and placed on file.

-Assessor Report: None

-Codes Enforcer Report: None

-Town Attorney Report: None

-Town Justice Report:

Supervisor Casler reported that the Justice deposit has been received.

-Planning Board Report:

Supervisor Casler reported that he had contacted Chairwoman Cobb and asked her to begin working on a comprehensive plan. The board discussed doing a comprehensive plan and was undecided if this was the way to go.

Clerk Regan reported that the Planning Board met and that the Wood's Sales Service and Repair Shop Project is pending because it has to go before the Oneida County Planning Board for review because it is located within 500' of another property that is in an agriculture district and because its located off of a state highway and that the Planning Board will be meeting next week with the ARC on its Event Center Project.

-Health Office Report: None

-Dog Control Officer Report: None

-Highway Superintendent Report: Nothing at this time

-Town Clerk Report:

Clerk Regan reported:

-That that the Annual Financial Report from Reeds needs to be formally accepted by resolution.

-That regarding amending the law for lawn mowing service fees, the town has a law addressing this and that per Attorney Macri's direction, nothing needs to be done. Clerk Regan stated that she sent a copy of the law, as ordered, to the Assessor so everything is order and nothing needs to be done.

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RESOLUTION #73

Acceptance of Annual Financial Report For 2021

On motion of Supervisor Casler, seconded by Councilman Schwasnick, the following resolution was ADOPTED by roll call vote:

Supervisor Casler	Aye
Councilman Soules	Aye
Councilman Schwasnick	Aye
Councilman Sullivan	Aye
Councilman Gehring	Aye

RESOLVED that the Annual Financial Report For 2021, as received from Reed Accounting Firm, hereby be accepted, approved, and placed on file.

-Discussion was held on getting someone else to do the town's annual financial report. The board will ask Attorney Macri who other municipalities use.

-Supervisor Casler stated that there's a question on some compensation for Court Clerk Soules that needs to be discussed.

Councilman Soules stated that Clerk Soules worked July and August on her own time and that's fine but that she is getting paid what the former court clerk was receiving instead of 19 hours a week at the \$15.00 an hour she was promised and was told she'd be paid by Judge Stone.

Supervisor Casler stated that apparently there was a miscommunication or Judge Stone misunderstood. That's that what's in the budget. Supervisor Casler stated that in 2020 we paid the court clerk 19 hours a week at \$15.00 an hour, which is \$14,820 for the year. When preparing the 2021 budget, he spoke with Justice Stone about the decrease in court revenues and told him he had to make some adjustments. Justice Stone told him to cut back the court clerk's salary to what his was, which was \$12,000; therefore they were both getting \$1,000 a month.

Discussion was held on this matter with the board deciding that the court clerk's salary shall remain at the \$1,000 a month, effective September 1, 2021 through December 31, 2021, to consider the salary to be 19 hours a week at \$15.00 an hour for next year, and adjust next year's budget to reflect that salary.

-Clerk Regan stated that the Overriding the Tax Levy Limit law needs to be adopted.

RESOLUTION #74

Adoption of Local Law #2-2021 Overriding Tax Levy Limit

On motion of Councilman Soules, seconded by Councilman Schwasnick, the following resolution was ADOPTED by roll call vote:

Supervisor Casler	Aye
Councilman Soules	Aye
Councilman Schwasnick	Aye
Councilman Sullivan	Aye
Councilman Gehring	Aye

WHEREAS, notice was published and a public hearing was held on October 13, 2021 on Local Law #2-2021, and,

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(Resolution #74 cont.)

WHEREAS, there were no comments against the passage of Local Law #2-2021,

THEREFORE, BE IT RESOLVED that Local Law #2-2021 hereby be adopted as follows:

Town of Little Falls
Local Law No. 2 of the year 2021.

A local law To Override the Tax Levy Limit Established in General Municipal Law 3-c

Be it enacted by the Town Board of the

Town of Little Falls as follows:

BE IT ENACTED by the Town Board of the Town of Little Falls, County of Herkimer as follows:

Section 1. Legislative Intent

It is the intent of this local law to override the limit on the amount of real property taxes that may be levied by the Town of Little Falls pursuant to General Municipal Law § 3-c, and to allow the Town of Little Falls to adopt a budget for the fiscal year 2021 that requires a real property tax levy in excess of the “tax levy limit” as defined by General Municipal Law § 3-c.

Section 2. Authority

This local law is adopted pursuant to subdivision 5 of General Municipal Law § 3-c, which expressly authorizes the town board to override the tax cap by the adoption of a local law approved by vote of sixty percent (60%) of the town board.

Section 3. Tax Levy Limit Override

The Town Board of the Town of Little Falls, County of Herkimer is hereby authorized to adopt a budget for the fiscal year 2022 that requires a real property tax levy in excess of the amount otherwise proscribed in General Municipal Law § 3-c.

Section 4. Severability

If any clause, sentence, paragraph, subdivision, or part of the Local Law or the application thereof to any person, firm or corporation, or circumstances, shall be adjusted by any court of competent jurisdiction to be invalid or unconstitutional, such order or judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, or part of the Local Law or in its application to the person, individual, firm or corporation or circumstance, directly involved in the controversy in which such judgment or order shall be rendered.

Section 5. Effective Date

This local law shall take effect immediately upon filing with the Secretary of State.

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-Discussion was held on purchasing, leasing, or renting a loader. After discussion it was decided that Superintendent would look into the costs of leasing or renting one. This matter was tabled.

-Supervisor Casler stated that he will have Mrs. Kula import Mr. McLaughlin's budget numbers and add the additional funds for the court clerk position to the budget. The board decided to hold a budget workshop meeting on October 26th at 7:00.

-Supervisor Casler reported that the Justice Court Grant application has been submitted.

-Supervisor Casler stated that he needs approval to make some fund transfers to balance the budget and make the BAN payment for the truck. The board approved the transfers.

RESOLUTION # 75

Fund Transfers Approval

On motion of Councilman Schwasnick, seconded by Councilman Sullivan, the following resolution was ADOPTED by roll call vote:

Supervisor Casler	Aye
Councilman Soules	Aye
Councilman Schwasnick	Aye
Councilman Sullivan	Aye
Councilman Gehring	Aye

WHEREAS, the Town Supervisor finds it necessary to make several fund transfers to balance the budget and provide funds for BAN truck payments and,

WHEREAS, the board approves that said fund transfers be grouped under one resolution,

BE IT RESOLVED that the town board hereby approves of the several fund transfers as follows:

1. \$40,000 from Highway Permanent Improvement EQ account 5112.2 to Highway General Repairs CE account 5110.4 to balance that account.
2. \$40,000 from Highway Machinery EQ account 5130.2 to Debt Principal, Bond Anticipation Notes account 9730.6 for principal BAN truck payment.
3. \$4,000 from Highway Machinery EQ account 5130.2 to Bond Anticipation-Interest account 9730.7 for interest on BAN truck payment.
4. \$20,000 from Highway Permanent Improvement EQ account 5112.2 to Highway General Repairs CE account 5110.4 to balance that account.

-Meeting recessed at 9:27 p.m. to audit the bills.

-Meeting resumed at 9:35 p.m.

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RESOLUTION #76

Payment of General Bills

On motion of Councilman Soules, seconded by Councilman Schwasnick, the following resolution was ADOPTED-vote:

Ayes- Supervisor Casler; Councilmen Soules, Schwasnick, Sullivan, Gehring

Noes-0

RESOLVED that the General Bills #109-124, in the amount of \$2,129.03 hereby be paid.

RESOLUTION #77

Payment of Highway Bills

On motion of Councilman Soules, seconded by Councilman Sullivan, the following resolution was ADOPTED-vote:

Ayes- Supervisor Casler; Councilmen Soules, Schwasnick, Sullivan, Gehring

Noes-0

RESOLVED that the Highway Bills #163-174, in the amount of \$39,542.97 hereby be paid.

-The next regular meeting will be held on November 9, 2021 at the town hall at 7:00 p.m.

-Meeting adjourned at 9:40 p.m.-Councilmen Sullivan, Schwasnick

Respectfully submitted, Sandra Regan, Town Clerk