

Joint Meeting of the Parma Town Board and Village of Hilton  
Tuesday, November 19, 2013 at the  
Parma Town Hall, 1300 Hilton Parma Corners Road, Hilton, New York.

**ATTENDANCE**

	Supervisor	Carmey Carmestro
	Councilperson	James Smith
	Councilperson	Gary Comardo
	Councilperson	James Roose
	Councilperson	Tina Brown
	Mayor	Joseph Lee
	Trustee	Jim Gates
	Trustee	Jim Bimmler
	Trustee	Andrew Fowler
Absent	Trustee	Larry Speer

**OTHERS IN ATTENDANCE**

Village Manager/Clerk Shari Pearce; Highway Supt. Brian Speer; Building Inspector Jack Barton; Recreation Director Steve Fowler; Finance Director Mary Gavigan; Nancy Kuhn; Kenneth Mullen; Kyle Mullen; Mark Bernreuther; Edward Arnold; Stan Hoy; Kenneth Blackburn and other members of the public.

**CALL TO ORDER**

Supervisor Carmestro called the meeting to order at 6:00 p.m. and lead those present in the Pledge of Allegiance to the Flag, followed by a moment of silence.

**BUSINESS ITEMS**

**VILLAGE TAX RATE IN TOWN OF PARMA**

Supervisor Carmestro noted the Village Board requested a special meeting to discuss the tax rate increase for Village residents. He noted Councilperson Smith would make an opening statement and then they would answer questions the Village Board had.

Councilperson Smith explained that what the Town Board has done is in response to the NYS Comptrollers Audit findings. He pointed out that the Town outside the Village (TOV) was taxed more than it should have been and the Town-wide residents (TW - Town and Village) were taxed less than what they should have been. He noted that most of this money was collected a number of years ago and had not been used until now. The State told us we should use the Fund Balance money to balance our budget. To correct this inequity TOV Fund Balance has been used to lower taxes for those property owners. As a result there are zero property taxes being collected in the B and DB Funds (TOV). The Town has five different lines (Funds); A (TW General), B (TOV General) DA (TW Highway), DB (TOV Highway) and L (TW Library). Using funds from one Fund shifts the remaining burden to the others.

The Supervisor and Councilperson Smith met several times with staff from our accountants, Raymond F. Wager, CPA and Hungerford Vinton, LLC. They also conferred with the Comptroller's office. They felt that using B Fund (TOV) surplus dollars to offset the property taxes for citizens outside the village was the best alternative. The impact was that rates would go down for TOV property owners and up for TW property owners.

Councilperson Smith noted that we will have a better idea in the next six months for where we need to be the next year. It is his expectation that the rates for both TW and TOV will be at or near 2013 levels for the 2015 budget. This is a onetime adjustment to correct the high fund balance in the TOV Funds. He reiterated that this was the best alternative the accountants gave us to get in compliance with the State Audit.

The following is a summary of further discussion, questions asked and statements made:

- What is the reasoning behind having to do this? Is there a deficit in the A Fund?
  - There is not is not a deficit in the A Fund. Doing this will bring our balances to the lower State acceptable limit
- Was this not recognized during the budgeting process last year.
  - This was an inherited process that has been done for the last twenty years. The tax rates for both the Town and Village have been consistent up until this year.
- The Village Board is not here to pick on anyone in particular. They are elected by the Village residents and will have to explain this increase to them when they call.
- As best as can be predict now, the rates will go back in 2015.
- Were other alternatives looked at? Were all avenues exhausted?
  - Every scenario was looked at. This is a one- time fix.
- Instead of paying cash for the bridges and the salt shed, was other funding looked at until you got your money back? Borrowing from other internal funds so they did not have to raise taxes on the Village residents.
  - It was explored but it was felt it would cost us more in the long run with the interest as opposed to doing it this way.
  - Payments for the bridges were made from current funds. Audit and Control would have preferred that we borrow the money and paid interest on it. It was noted that doing this would not have avoided the tax rate increase.
- Was borrowing from other funds or internal fund transfers considered so the rate would not be raised for the Village residents?
  - Anything done in that regard would not have significantly impacted how this would have played out.
  - The resulting decision was needed to correct an imbalance that started before any of this Town Board was on the Board.
  - Borrowing money from ourselves was looked at but it would not have changed this particular situation.
  - Options were presented, this was the best choice also taking into consideration that residents outside the Village were upset that they had

been overtaxed. This was the option which got our accountants and the Comptroller's office to sign off on this.

- Is the Village Fund short (TW) and the Town side over so the money is being given back?
  - It was noted that an increase was not wanted especially in an election year. No matter how the funds were adjusted there was no other way. The more we take out of TOV the more it got skewed. The choice was made to minimize the pain and have it be a one-time adjustment. A lot of time was spent looking at options and how to best accomplish this task.
- Is the A Fund running low?
  - Doing this will minimize the A Fund (TW) down to 20% of operating budget (Comptroller recommended balance) and the B Fund (TOV) down to about 40%. It is recognized that this may not be quite where the Comptroller's office would like it to be and another adjustment may be needed next year but this gets us in closer compliance.
- Are there still reimbursements expected for the bridge replacement projects?
  - All funds have been reimbursed for the bridges and they went back into the A Fund.
- The first response to this increase was what extras are village residents getting for this?
  - There are no additional services being received. This will maintain the services they are already receiving; such as, Assessor, Library, Recreation, Parks, Court, Town Clerk and portions of Highway.
- Will the budget be voted on tonight? Can the vote on the budget be postponed? Can the Village rate be lowered?
  - The Preliminary Budget had been approved and the amounts can only shift; any major adjustments had to be made prior to the Preliminary budget being approved.
  - There could be a decrease but the way our funds are linked you cannot reduce a fund without it changing a lot of other things.
  - There is an option to not approve until the 20<sup>th</sup> of December. The County will be after us for the numbers and we have never done it past the regular date. We have already been asked for this information.
- Dissatisfaction was expressed that there was no courtesy call to inform the Village Board that this was coming and the Village cannot be responsible for this.
  - It was acknowledged the Village is not responsible.
- There was understanding for keeping the Town tax rate flat but not for raising the Village rate over 16%. It will be very difficult for the Village Board to develop their upcoming budget, when such a large increase will have already been placed on Village residents.
  - Borrowing would not have fixed this issue. Could have borrowed to not raise taxes but then everyone would have been doing a long term pay back.

- The A Fund (TW) cannot be fixed (not raise tax for Village residents) without adjusting the others and doing that would not accomplish getting in compliance with the Comptroller recommendations.
- The intent was to bite the bullet once. The average Village taxpayer will see a one-time increase of about \$40 for the 2014 year. In 2015, that same taxpayer will see approximately a \$30 to \$40 decrease.
- Did the Salt Shed hurt the balances?
  - Yes
- There was a lack of understanding as to why anyone could not see that a new salt shed was needed years ago and disappointment expressed that the Town did not address it until the Village stepped in. It has been two years since the project was started. Has any money been put away?
  - Although a reserve account had not been set up the money was being put away for that purpose knowing that we were going to.
- This has been an outstanding and well needed project.
- Overall savings to the municipalities is about \$300,000 by having our own workers do a lot of the work.
- Town recognizes the Village did a lot in support of this project and to make it come in under budget.
- It was acknowledged that the situation is a result of the audit and to bring the fund balances to a level where they belong.
- It was confirmed that a letter provided by the Village would be incorporated into the record. (*See Schedule A at end of minutes*)

Mayor Lee noted we have gotten away from meeting jointly on a regular basis and would like to see us restart that practice. Councilperson Smith agreed and felt that quarterly meetings should be reestablished.

### **PHONE SYSTEM – RECREATION DEPARTMENT**

Village Clerk/Manager Shari Pearce explained the situation with the current phone system at the Community Center. They have been experiencing problems for the last several years. The system is ten years old, outdated and they are unable to replace equipment with new parts; only used and refurbished. She noted they have requested funding in past budget processes but it was removed. An immediate need has occurred requiring them to upgrade the system. The Village DPW portion of the system crashed last week. The situation has been temporarily fixed but a permanent fix is a priority now.

The Recreation Department is part of this phone system. A quote was received from Matrix to upgrade the Village system. The Town's portion was calculated by Matrix to be 30%. If the Recreation Department was to become part of that system, the cost would be \$2,965.

Ms. Pearce is looking for direction from the Town Board on if they will be participating in this cost sharing or be going out on your own. They really need to order their system and if the Recreation Department is not going to be included in that to stay on that system

they really need to know now to move forward with their end of the project. (*See Schedule B at end of minutes*)

Questions and comments included:

- How much are they interrelated? Are they the same systems or are they independent of each other? Is it the same system?
  - It is a main switch with wiring to each of the phone locations.
  - The system is the same brand (NEC) but it is an upgrade to a newer system.
- Will the parameters of sharing be the same as now?
  - Yes, the Town's portion of the equipment will be the same as last time. Recreation will be part of the system the same way they were before.
- Is an answer needed right now or can this be discussed as part of the Town's regular meeting?
  - Yes, it can be discussed later. The Village will be paying for it all upfront from their contingency funds and they realize this would be an unbudgeted expenditure for the Town which needs to be discussed by that Board.
- What is the installation time frame?
  - Originally it was going to be the first of the year but now it is needed before the end of the year.
- Is there anything reusable or recyclable?
  - It will all be replaced with new digital phones.
- Was this put out for bids?
  - The Village considers this to be an upgrade to their current system and not a brand new system. They will not be getting other quotes or bids and noted it does not apply under their procurement policy as it is under \$20,000.
- Have alternative such as Time Warner been looked at?
  - The Village system is networked and a more intricate system which is part of their emergency system. This is the most economical for the Village.
- Matrix has been the Village provider for the past ten years. They are also the Town's provider.
- What does the Recreation Department get for being part of that system?
  - Phones, intercom within department and the Village offices so there is interconnectivity.
- A major storm in the past could be a contributing factor to the problems that system has been experiencing.
- A separate quote was provided by Matrix, if the Town were to go on its own system. It would be slightly more than having it with the Village.

It was agreed that a meeting should be scheduled for some time in early March.

A motion was made by Councilperson Comardo to adjourn the meeting at 6:40 p.m. and Councilperson Smith seconded. All were in favor.

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Respectfully submitted,

Donna K. Curry  
Parma Town Clerk

## SCHEDULE A

Joseph M. Lee, Mayor

TRUSTEES  
Jim M. Gates  
Larry W. Speer  
Jim Bimmier  
Andrew Fowler

Shari Pearce Village Manager/Clerk  
Mike McHenry Supt. of Public Works

## VILLAGE OF HILTON

59 HENRY STREET  
HILTON, NY 14468

(585) 392-4144  
(585) 392-5620 Fax  
voh@hiltonny.org



November 14, 2013

Members of the Town Board  
Town of Parma  
1300 Hilton Parma Corners Road  
Hilton, NY 14468

Dear Board Members:

Thank you for agreeing to host a joint meeting on such short notice to discuss two items of importance.

We request this letter be entered into the meeting minutes of November 19, 2013 as a matter of public record.

Recently, it has come to the attention of the Hilton Board of Trustees that the town tax rate for Village residents is due to increase by approximately 16.5%. At our November 5<sup>th</sup> meeting, this subject matter was brought into our discussion. We are respectfully requesting additional information so that we are prepared to answer questions from our constituents. We strongly oppose this steep increase to our Village of Hilton residents, while the Town of Parma residents are receiving a substantial decrease.

The second agenda item is to discuss the Village of Hilton's existing telephone system. Please find the enclosed information and proposal.

We look forward to meeting with you on Tuesday.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joe Lee".

Joe Lee, Mayor

Joseph M. Lee, Mayor

TRUSTEES

Jim M. Gates  
Larry W. Spear  
Jim Bimmier  
Andrew Fowler

Shari Pearce Village Manager/Clerk  
Mike McHenry Supt. of Public Works

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November 14, 2013

Members of the Town Board  
Town of Parma  
1300 Hilton Parma Corners Road  
Hilton, NY 14468

Dear Board Members:

The Village of Hilton has been experiencing a host of problems with our existing 10-year-old telephone system. Our provider, Matrix Communications, has done everything within their power to fix these problems, however, the technology has become obsolete and purchasing replacement parts (refurbished) is increasingly difficult. We are expecting complete failure at any given time. Therefore, we have decided to upgrade to a new system.

As you know, the Recreation Department also utilizes this system. These ongoing problems have affected their ability to communicate with the public.

We would like to offer the Town of Parma the opportunity to continue sharing phone service with us. Installation of this upgrade will be completed by year-end. If you decide not to participate, the phone system will no longer be operable at that time.

Matrix Communications has provided the following quote; they determined that the Recreation Department utilizes 30% of this system.

Total cost to upgrade: **\$9885.00**

Town of Parma 30% contribution **\$2965.00**

If you have any questions about this proposal, please contact Shari Pearce at 392-4144 x 102. Kindly respond with your decision no later than December 4<sup>th</sup>. We look forward to your reply.

Sincerely,

Joe Lee, Mayor