

May 23, 2012

MINUTES

**TOWN BOARD MEETING
2795 EAST CHURCH STREET
EDEN, NEW YORK
MAY 23, 2012
7:30 P.M.**

TOWN BOARD MEMBERS PRESENT:

GLENN R. NELLIS	-	SUPERVISOR
MARY LOU PEW	-	COUNCILWOMAN
EDWARD KRYCIA, JR.	-	COUNCILMAN
RICHARD S. VENTRY	-	COUNCILMAN
FRAN MCLAUGHLIN	-	COUNCILMAN

OTHERS PRESENT:

Mary Jo Hultquist	-	Town Clerk
Lisa Greiner	-	Administrative Assistant
Lisa Winter	-	Bookkeeper

Call To Order:

Supervisor Nellis called the Work Session of the Eden Town Board to order at 7:30 P.M.

Pledge of Allegiance:

Supervisor Nellis led the assembly in the Pledge of Allegiance to the flag followed by a moment of silence.

New and Unfinished Business:

1. Emergency Preparedness Policy and Guidelines

MOTION was made by Councilwoman Pew to approve the Town of Eden Emergency Disaster Preparedness Plan, Version 1.7, Town of Eden Disaster Preparedness Guidelines for Residents, Version 1.2 and Town of Eden Emergency Services Policy, Version 1.2, which are on file in the Town Clerk's office; seconded by Councilman McLaughlin; All "Ayes"; Opposed? – None; Abstain? – None; Motion carried.

2. Equipment Bid – Fire Department

Supervisor Nellis requested this item be moved to "Old Business" with the results to be reviewed when received from the Fire Chiefs.

3. Fund Balance Policy

The following policies were discussed:

Fund Balance Policy

Purpose

The Town of Eden (the "Town") has enacted the following policy in an effort to ensure financial security through the maintenance of a healthy reserve fund that guides the creation, maintenance, and use of resources for financial stabilization purposes.

Reserve funds (which essentially are a legally authorized savings account for particular specific purposes) are an important component in the Town's financial planning for specific expenses, future projects, acquisitions and other lawful purposes. To this end the Town may establish and maintain reserve funds in accordance with New York State Laws. The Town will also consider rules and/or opinions issued by the New York State Comptroller when they are not in conflict with law.

Town reserve funds must be properly established and maintained to promote the goals of creating an open, transparent and accountable use of public funds. The Town may engage independent experts and professionals, including but not limited to auditors, accountants and other financial and legal counsel, as necessary to monitor all reserve fund activity and prepare reports that the Town may require.

The Town's primary objective is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. The Town also seeks to maintain the highest possible credit ratings, which are dependent, in part, on the Town's maintenance of a healthy fund balance.

Definitions

Fund Balance: Fund balance is the difference between the assets and liabilities reported in a governmental fund. Fund balance is not necessarily the cash balance of the Town. The fund balance consists of other assets as well such as money due from the state and federal government, and accounts receivable. Fund balances are classified into various components depending on the limitations placed on the use of the funds. The hierarchy indicates the extent to which a government is bound to observe spending constraints that govern how it can use amounts reported in the governmental funds balance sheet.

The Town shall comply with the reporting requirements of Article 3 of General Municipal Law of the State of New York and the Governmental Accounting Standards Board (GASB) Statement Number 54, Fund Balance Reporting and Governmental Fund Type Definitions. GASB Statement Number 54 established the following classifications depicting how specific amounts can be spent:

- **Non-spendable** fund balance consists of amounts that are not in a spendable form in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, and financial assets held for resale.
- **Restricted** fund balance consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by grantors, bondholders or laws and regulations of higher levels of governments; or through constitutional provisions or enabling legislation.
- **Committed** fund balance consists of amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- **Assigned** fund balance consists of amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- **Unassigned** fund balance consists of amounts that are available for any purpose; these amounts are reported only in the General Fund.

Policy Statement

The fund balance of the Town's General Fund and Highway Fund has been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities.

The objective is to maintain an unrestricted fund balance of not less than 10% of annual appropriations for the fiscal year.

Town finances will be managed so as to maintain balances of the various funds at levels sufficient to mitigate current and future risks, such as revenue shortfalls and unanticipated expenditures, ensure stable tax rates and user fees, and protect the Town's creditworthiness. The decision to retain an unrestricted fund balance of not less than 10% of fund appropriations stems from the following:

- This amount provides adequate funding to cover approximately one and a half months of expenditures.
- This amount provides the liquidity necessary to accommodate the Town's uneven cash flow, which is inherent in its periodic tax collection schedule.

- The Government Finance Officers Association recommends the minimum General Fund unrestricted fund balance to be maintained should be between 5%-15% of current operating expenditures.

The Town Board will set aside certain amounts as committed fund balance. Amounts are to be determined by the Town Supervisor based on the need for extraordinary operating or capital that could not be anticipated and cannot be funded with current budget resources.

The Town Supervisor will set aside committed fund balances equal to the amount of outstanding purchase orders or encumbrances.

The Town Board delegates to the Town Supervisor the authority to determine the proper amounts to be assigned for purposes as are deemed necessary. This would provide the liquidity to respond to contingent liabilities and provide for capital asset replacements.

Effective as of the year ending December 31, 2011, unassigned fund balance shall be any remaining amounts.

The Town will spend, as allowed and available, the most restricted dollars before less restricted in the following order:

- a) Nonspendable (if funds becomes spendable)
- b) Restricted
- c) Committed
- d) Assigned
- e) Unassigned

The Town will be mindful of its role and responsibility as a fiduciary of public funds when acting on reserve fund issues.

This policy may be updated as deemed necessary per the Town Board.

MOTION was made by Supervisor Nellis to approve and adopt this policy as presented; seconded by Councilman Krycia; All "Ayes"; Opposed? – None; Abstain? – None; Motion carried.

TOWN OF EDEN MANUAL GENERAL JOURNAL ENTRY POLICY

The Town Of Eden recognizes that manual (non-system generated) journal entries are needed and made for various reasons. Based on the need for manual journal entries, the following policy is being established to document procedures on how such journal entries are to be processed.

1. Journal entries for all funds will be prepared and posted through accounting software by Bookkeeper.
2. All journal entries should have supporting documentation that fully explains the nature and amounts being recorded and support reasons for the journal entry.
3. Supervisor's Secretary or Part Time Clerks in Supervisor's Office will perform review of the edit version of the Journal Entries.
4. Review will include check of proper sequential order, correct coding and posting date/fiscal period, and adequate support.
5. After approval is complete, Bookkeeper will post Journal Entry.
6. If a journal entry cannot be reviewed prior to posting, review will be done within five business days of posting.

7. All posted journal entries and related documentation will be maintained in a readily accessible binder for review and audit at anytime.

MOTION was made by Supervisor Nellis to approve and adopt the policy as presented; seconded by Councilman Krycia; All "Ayes"; Opposed? – None; Abstain? – None; Motion carried.

**TOWN OF EDEN
CASH RECEIPTS
BANK RECONCILIATION POLICY**

This policy details the necessary steps in the Supervisor's Office for recording cash receipts and completing bank reconciliations to ensure proper safeguarding of Town monies and internal controls.

Upon Receipt of Cash/Checks, Supervisor's Secretary or Part Time Clerk will place restrictive endorsement on checks, receipt money, and place receipt along with cash/checks into safe in bank deposit bag.

Bookkeeper prepares deposit slip and deposits in Bank. Deposits are to be made within three business days.

Deposit slip and Bank receipt are stapled together and given to Part Time Clerk for review to receipt book questioning any receipts that have not been deposited and bringing any irregularities to attention of Supervisor.

Reviewed bank receipt is given to Bookkeeper for entry into Cash Receipts Journal on computer. Copy of Posted Cash Receipt is stapled behind deposit receipt package.

At end of month, Cash receipts journal will be printed and reviewed by either Part Time Clerk or Supervisor's secretary for sequential order of receipts as well as reviewing dollar amount to original receipt book. Any discrepancies must be investigated and explained.

All Bank Statements go to Part Time Clerk who will open upon receipt and review outstanding checks, signatures and anything that looks irregular. Any irregularities are to be brought to the attention of the Supervisor.

After review of Banks Statements by Part Time Clerk, statements are given to Bookkeeper for computer reconciliation. Bank reconciliation report is printed as well as Outstanding Payment Report and stapled behind Bank Statement.

Banks Statements/Reconciliation Reports are then passed to Supervisor's Secretary who will perform final review to General Ledger Cash Accounts.

Bank Reconciliation Process will be complete within 30 days of receiving bank statements.

MOTION was made by Supervisor Nellis to approve and adopt this policy as presented; seconded by Councilwoman Pew; All "Ayes"; Opposed? – None; Abstain? – None; Motion carried.

4. Blacktop Sealing of Town Hall and Library Parking Lots

Supervisor Nellis read and reviewed with the Town Board the bid that was received to seal the Town Hall and Library parking lots. Three contractors were contacted and only one response was received from Ballou Paving & Sealing. Palmieri Paving and Sealing is no longer providing this service and Schuster Sealing does not have adequate Compensation Insurance.

Ballou Paving and Sealing gave the following quote to seal and stripe:

Town Hall	\$ 2,745.00
Library	\$ 1,150.00

MOTION was made by Supervisor Nellis to accept the bid from Ballou Paving and Sealing for the Town Hall at \$2,745 and the Library at \$1,150; seconded by Councilman Krycia; All “Ayes”; Opposed? – None; Abstain? – None; Motion carried.

5. Bid – East Eden Fire Hall

Supervisor Nellis received and read the bids for painting and dry wall for the Truck bays at the East Eden Fire Hall.

Paul Schelter	\$2,300.00
Ballard Construction	\$2,550.00

MOTION was made by Supervisor Nellis to award the bid to Paul Schelter for \$2,300 to paint and dry wall the truck bays at the East Eden Fire Hall; seconded by Councilwoman Pew; All “Ayes”; Opposed? – None; Abstain? – None; Motion carried.

6. Recreation Board – Additional Staff Appointments

Supervisor Nellis read correspondence from Susan Brass, Recreation Director for the following appointments:

Lisa Wiesmore as Adult Fitness substitute at \$575.00 for the 6-7 week Session.

MOTION was made by Supervisor Nellis to approve the appointment of Lisa Wiesmore as Adult Fitness substitute at \$575.00 for the 6-7 week session; seconded by Councilman McLaughlin; All “Ayes”; Opposed? – None; Abstain? – None; Motion carried.

Kathryn Gorcica as Head Instructor at the Town Pool at \$8.35/hour

MOTION was made by Councilwoman Pew to approve the appointment of Kathryn Gorcica as Head Instructor at the Town Pool at \$8.35/hour; seconded by Councilman Ventry; All “Ayes”; Opposed? – None; Abstain? – None; Motion carried.

Supervisor’s Report:

- Memorial Day parade on Monday, May 28 at 11:00 a.m.
- Clarksburg Road bridge will be closed for painting
- Ground breaking at the Eden Vet Clinic May 31, 2012 at 2:30 p.m.

Hearing of Visitors:

Robert Heferle

Adjournment:

MOTION was made by Councilman Ventry to adjourn the Work Session Meeting of the Eden Town Board; seconded by Councilwoman Pew; All “Ayes”; Opposed? – None; Abstain? – None; Motion carried.

Supervisor Nellis adjourned the Work Session Meeting of the Eden Town Board at 8:15 P.M.

Respectfully submitted by,

Mary Jo Hultquist
Town Clerk