

**MINUTES OF THE SPECIAL MEETING OF
THE TOWN BOARD OF THE TOWN OF NEW LEBANON
HELD ON JULY 26 2022**

Present: Tistrya Houghtling, Supervisor (Online)
Marianna Anthonisen, Councilmember (Online)
Britt Buckenroth, Councilmember
Deborah Gordon, Councilmember
John Trainor, Councilmember

Recording Secretary: Marsha “Marcie” Robertson, Town Clerk

Others Present: Steve Powers, CAC Member & CSC Chair
Sharon Powers, IT Website Support & BEDC Member
Josh Young, Planning Board (7:15pm)
Members of the Public

CALL TO ORDER:

The Special Meeting was called to order at 6:08pm by Supervisor Houghtling.

The meeting was held in person at the New Lebanon Town Hall, 14755 State Route 22 North, New Lebanon, NY 12125 with members of the public also being able to view the meeting at the following link: https://townhallstreams.com/towns/new_lebanon_ny

ARPA FUNDS:

Supervisor Houghtling stated that they are meeting to start discussion on where and how to allocate the ARPA funds. To discuss which project categories to look at investing ARPA funds in and if there is a committee that can be tasked at doing the research needed.

Allocating ARPA Funds into buckets; now that we have heard from the public, which projects do we want to fund, how much do we want to set aside for each, what are next steps to define how money is going to be spent for each area, is there a committee we can task at creating a work plan for each?

Supervisor Houghtling heard from a few local businesses that they need help right away as they are close to closing their doors. Since supporting local businesses polled at the top of the ARPA survey, she had Monte send out an email to all business owners to ask how we might support them if we have funds to do so. She heard from two business owners that they need money to help fund them while business is slowed from COVID. She also heard from one business owner who said their business is not struggling and advocated for ARPA

funds to be spent on two feasibility studies, one by engineers for wastewater and one by an economist to look at the cost of not doing something.

Supervisor Houghtling reached out to the County's ARPA consultant to find out if we are allowed to give money directly to businesses (one business owner mentioned an article in the Berkshire Eagle that the City of Pittsfield was giving over \$200,000 to an arts venue who is struggling due to COVID). The ARPA consultant said we can give money directly to local businesses but he strongly suggests having an application and process that is applied equally to all businesses to avoid favoritism and AOT also said at the training that you can give ARPA money to businesses but you must be careful as to how you do it and must have standards involved.

The Town Board held discussion and Supervisor Houghtling, Councilmember Anthonisen and Councilmember Gordon think they should focus on the top five buckets from the ARPA survey. Councilmember Buckenroth thinks it is okay to explore the top 5 but in the end, they should cut it down to the top three buckets from the survey, especially after seeing how expensive things are from what happened with the splash pad bids. Councilmember Trainor thinks that the top five to seven items should be considered.

Supervisor Houghtling stated that the top five survey items will be assigned to committees to do further research. Support local businesses to BEDC; Monitoring water to CAC; Health and wellness to Quality of Life; Community center will not be an official committee but will consist of Supervisor Houghtling, Councilmember Buckenroth, Michelle Bienes, the Town Board updated via email and a few others that Supervisor Houghtling can't recall at this time; Rail trail to CSC to work with the Rail trail.

Supervisor Houghtling sent the remaining Town Board members ARPA applications to review and they held discussion. The applications are being sent to the BEDC to go over and finalize.

FUND BALANCE:

Supervisor Houghtling reported that she attended a training on fund balance. She stated to clarify a fund balance is monies that over the years has come in and sat in this unallocated fund. It is not that the past Town Boards were over taxing residents, it is that they weren't designating what these taxes were for.

See attached for the current unallocated fund balances - please note that this includes taking \$275,450 in general and \$156,050 into the budget when the 2022 budget was passed. Assuming we don't take in any more revenues than budgeted and we spend all expenditures budgeted, this money will be used. More likely, and what we typically see, is that revenues will be higher than expected (sales tax revenue for the year is \$353,295.82 for the 1st 2 quarters and we estimated \$450,000 for all 4 quarters) and expenditures will be lower than expected and we will likely not pull that whole amount that has been allocated.

See the Town's Fund Balance Policy attached - we must maintain an unrestricted fund balance between 15% and 20% of the current year's total budget (\$2,265,556 in 2022). The goal is to get there going into 2023 by moving the money into various categories.

Supervisor Houghtling went over an article on the Do's and Don'ts for fund balances and a hand-out from the training she attended with the remainder of the Town Board. There are many different ways to "allocate" our unrestricted fund balance through capital reserve accounts, restricted fund balances, and others. The goal is to start to decide where to put the money and how much to put in each account before we finalize the 2023 budget in October.

The board held further discussion on establishing and accounting for reserves. Supervisor Houghtling will gather information on the numbers for signatures for permissive referendums, the time frames for both the petition and going out to vote and look into the retirement spikes and see what that was and get back to the board. The board agreed that they should put something aside for the retirement spikes. The board agreed that they should put something in reserve for highway equipment repair and general building repair. Supervisor Houghtling thinks that they need to get some of the fund balance into capitals (specifics and/or types) and they can discuss this at the next meeting.

See Addendum A & B (Fund Balance Analysis & Fund Balance Policy)

SPLASH PAD:

Supervisor Houghtling stated that she talked with the engineers and they are seeing prices starting to go down and hopefully that will continue. They are suggesting that we go back out to bid in January of 2023.

Councilmember Buckenroth stated that she is all for going back out to bid in January for the splash pad but thinks they need to revisit the concrete slab for the skatepark.

SKATEPARK:

Supervisor Houghtling stated that she is going to discuss with prior Councilmember Newton the cost to move the skatepark behind the bathrooms and getting it shrink wrapped to protect it from the elements. The Board agreed on this.

ADJOURNMENT:

A motion was made by Supervisor Houghtling, to adjourn the meeting at 7:46pm. The motion was seconded by Councilmember Trainor.

Roll Call Vote:

Councilmember Buckenroth -	Aye
Councilmember Gordon -	Aye
Supervisor Houghtling -	Aye

Councilmember Trainor -
Councilmember Anthonisen-

Aye
Aye

Respectfully submitted,

Marcie Robertson
New Lebanon Town Clerk

Addendum A

Town of New Lebanon						
Historical Fund Balance Analysis						
	General Fund	Shatford Park Reserve	Landfill Reserve	Highway Fund	Highway Equipment Reserves	ARPA Fund
Balance as of 12/31/2014	540,998	11,534	75,000	121,712	-	-
Net increase (decrease) in 2015	62,185	-	75,000	97,575	-	-
Balance as of 12/31/2015	603,183	11,534	150,000	219,287	-	-
Net increase (decrease) in 2016	(13,068)	(9,322)	225,000	39,082	51,000	-
Balance as of 12/31/2016	590,115	2,212	375,000	258,369	51,000	-
Net increase (decrease) in 2017	78,960	37,500	250,000	40,478	(44,650)	-
Balance as of 12/31/2017	669,075	39,712	625,000	298,847	6,350	-
Net increase (decrease) in 2018	151,459	5,788	-	(81,742)	20,000	-
Balance as of 12/31/2018	820,534	45,500	625,000	217,105	26,350	-
Net increase (decrease) in 2019	44,838	-	-	(56,183)	(26,350)	-
Balance as of 12/31/2019	865,372	45,500	625,000	160,922	-	-
Net increase (decrease) in 2020	12,087	-	-	48,284	-	-
Balance as of 12/31/2020	877,459	45,500	625,000	209,206	-	-
Net increase (decrease) in 2021	265,209	-	-	15,955	20,000	110,438
Balance as of 12/31/2021	1,142,668	45,500	625,000	225,161	20,000	110,438
Appropriated to pay for 2022 expenditures as of July 12, 2022	(319,369)			(225,042)	(20,000)	
Second ARPA payment						110,359
Amount available to reserve	823,299			119	-	220,797

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Addendum B

Town of New Lebanon
Fund Balance Policy
Adopted by TB 1/11/2022

Fund Balance Policy

Reserve funds.

A. 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.

B. 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 Board may require.

Government fund-type assignment (GASB 54).

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 Types Definitions. GASB Statement Number 54 established the following classifications:

- A.** Non-spendable fund balances consist 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.
- B.** Restricted fund balances. Restricted fund balances consist of amounts constrained to specific purposes by a government itself using its highest level of decision-making authority. Amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- C.** Committed fund balances. Committed fund balances consist of amounts that are subject to a purpose constraint imposed by a formal action of the Town Board before the end of the fiscal year, and that require the same level of formal action to remove the constraint.
- D.** Assigned fund balances. Assigned fund balances 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.
- E.** Unassigned fund balance. Unassigned fund balances consists of amounts that are available for any purpose.

The total of committed, assigned, and unassigned fund balances constitutes the "unrestricted portion" of fund balance.

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Funding policy for restricted or committed and assigned fund balances.

Maintenance of a fund balance is appropriate to provide stability and flexibility to respond to unexpected adversity and/or opportunities.

The objective is to maintain an unrestricted fund balance between 15% and 20% of the current year's total budget.

The decision to maintain an unrestricted fund balance of 15% to 20% of fund appropriations stems from the following:

- This amount provides funding to cover approximately between 2 and 3 months of expenditures;
- This amount provides the liquidity necessary to accommodate uneven cash flow, which is inherent in its tax collection schedule; and
- This amount is consistent with reasonable guidelines suggested by the NYS Comptroller's office.

The Town Board, following receipt of a recommendation from the Supervisor, will set aside certain amounts as committed fund balance. Amounts are to be determined based on the need for extraordinary operating capital that could not be anticipated and cannot be funded with current budget resources. The Supervisor will set aside committed fund balances equal to the amount of outstanding purchase orders or encumbrances. Following receipt of recommendations from the Town Supervisor, the Town Board will 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. The remaining balance of the unrestricted fund balance will be classified as unassigned fund balance.

The formal action of the Town Board to restrict, commit or assign fund balance to a specific purpose should occur prior to the end of the reporting period, but the amount, if any, which will be subject to the constraint, may be determined in the subsequent period.

Spending policy for fund balances.

The Town Board will determine the composition of its ending fund balance by applying its accounting policies regarding whether it considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. Similarly, within unrestricted fund balance, the classification should be based on appropriate accounting policies and practices regarding whether it considers committed, assigned or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. As a guideline, the Town should consider that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Any unrestricted fund balance in excess of 20% of a current year's total budget may be applied in the following order: paydown existing debt; deposited into reserve funds, as needed, and in accordance with capital reserve policies approved by the Town Board; or used to balance the following year's budget.

Periodic review and annual report.

A. The Town Board will periodically review all restricted, committed, and assigned fund balances. The Town will prepare an annual report of all restricted, committed and assigned funds. The annual report shall include the following information for each reserve fund:

- (1)** The type and description of the reserve fund.
- (2)** The interest earned on each reserve fund.
- (3)** Capital gains or losses resulting from the sale of investments of the reserve funds.
- (4)** The sum total increase and sum total decrease in the reserve funds.
- (5)** The ending balance in the reserve funds at fiscal year end.
- (6)** A summary statement of projected use and the need of the reserve funds.

B. The Board shall utilize the information in the annual report to discuss reserve fund balances and to adequately maintain necessary funds for the Town's long-term financial planning. The Board will be mindful of its role and responsibility as a fiduciary of public funds when acting on reserve fund issues.

C. The Board will review this policy annually.

