

A Work Session of the Town Board of the Town of Clarence was held on Wednesday, May 4, 2016 at Clarence Town Hall, One Town Place, Clarence, New York.

Supervisor Patrick Casilio called the meeting to order at 9:00 AM. Members of the Town Board present were Councilmember's Robert Geiger, Christopher Greene and J. Paul Shear. Councilman DiCostanzo was absent. Other Town Officials present were Town Attorney Lawrence Meckler, Assistant to the Supervisor Karen Jurek, Director of Administration and Finance Pamela Cuvillo, Accounting Intern Donald George and Counsel Heather Giambra. Town of Amherst Councilman Steven Sanders and Town of Amherst Sr. Deputy Town Attorney Joanne Schultz were present as well.

Floss Insurance Agency – Joseph Floss/VFIS Representative Kathy Sibol

Every year Mr. Floss gives an update on the four Length of Service Award Programs two of which are partially funded by the Town of Amherst. Joseph Floss introduced Frank Gusmano who is a financial planner with Sagemark Consulting which is a division of Lincoln Financial Advisors Corporation. Mr. Gusmano will introduce an option that is now available to invest in other than the 3-percent fixed annuity that the Town of Clarence has been comfortable with. Mr. Gusmano will be addressing the Town of Amherst representatives because they are not investing in a guaranteed manor.

In the twenty-five years that Mr. Floss has been the local servicing broker for VFIS for the length of service awards program there have been many changes. Initially only defined benefit was available from VFIS which is what the Town of Clarence elected in 1991. Supervisor Grenzebach and Supervisor Daniel Ward signed a joint agreement hiring VFIS with the Town of Clarence as the servicing vender for the LOSAP Plan. Back then there was just the defined benefit, it was mandated that life insurance be part of the plan. There have been many changes that VFIS has adopted along the way. Now there is a defined contribution plan available, you do not need life insurance in the LOSAP Plan which is an expense. Currently available is HeroPlus which is a separate investment opportunity if you like to take a small risk for a chance of reward.

VFIS Kathy Sibol

The Town of Clarence sponsors four LOSAP Plans (Swormville FD, Harris Hill FD, Clarence Center FD and East Amherst FD). VFIS plays a roll with the Length of Service Awards Program but there are other entities that are involved as well in the operation of the day to day Length of Service Award Program. The Floss Agency is the town's local liaison and representative for VFIS. At VFIS there is a dedicated pension administrator who handles every aspect of the program. There is a service agreement with VFIS that the town has entered into for each of the four plans. That service agreement lays out the responsibilities of the town and VFIS. Within that contract a single fee is charged on an annual basis, it is not a per service arrangement, it is a flat fee that is charged per year and a per participant charge. Whether VFIS meets with the town, writes up quotes, prepare plan amendments, plan changes, phone calls etc. VFIS is here for the Town throughout the year. The service contract fee covers that as well as the actuarial service that is provided to the Town including the actuarial review and certification which is required by NY State Law. The actuarial cost is also incorporated into that one fee that is charged, it is both administrative and actuarial. The fee for all four plans last year for the town to administer and provide actuarial work was \$11,925.

Recommended deposit for defined LOSAP benefit is set based on an actuarial valuation. That actuarial valuation takes into account the roster, who you are making promises to and what are you promising. When they run an actuarial evaluation, they not only need to look at the roster and what is being promised but also need to look at how long people will live (if you are promising someone \$20 for each year of service and they are expected to live X number of years, then you need to know how much money to put away). If you

put that money away, you need to know what the investment result is going to be over the long term. When you look at the actuarial assumptions, you want them to be as close or reasonable to the actual experience that is anticipated.

VFIS has moved the town to more conservative mortality tables. People are living longer, we need to assume that and project a longer life span meaning you will be paying benefits out to those participants for a longer duration – more money needs to go into the plan. While the Group Annuity Contract has performed extremely well, over the long term the Actuary has recommended a long term investment result tied to that Group Annuity Contract. The Actuary believes 4.75% as a reasonable projection. VFIS has been moving the town towards these two primary changes in the actuarial assumptions over the last several years.

A handout was distributed showing the Actuarial Funding Ratio. As the actuarial assumptions are adjusted, (there are a variety of things that will affect the funding status, if you have a particular change to your roster, that could have an effect, if you change plan benefits, that could and very likely would affect the funding status). Primarily what is happening with the funding status of the Town's program was the implementation of post entitlement provisions a few years ago, this had a real direct effect on the funding status. These were accrued liabilities that immediately had to be recognized as a liability. Changing actuarial assumptions will have a direct effect on your funding status. The reality is that you want a funded status that is represented well by what you really believe is going to happen with your plan. The program is using a Projected Benefit Funding Method not an Accrued Benefit Funding Method. The actuarial assumptions are currently where they need to be. The town still has another year or two to go and will be at the level of assumptions that the actuary has been moving the town towards. There are two tiers of assumptions that the Actuary is recommending at this point. If your roster stays flat and your specifications stay flat, the cost should remain relatively flat year to year instead of these increases to recommended deposit that the town has seen. The town is using Projected Benefit Method. That method is targeting full funding by the time each of the participants reaches their entitlement age. Recommended deposit is down significantly since 2012 which had to do largely with post entitlement responsibilities.

Each plan earned the same investment result. The Group Annuity Contract affords each one of their clients the exact same investment result. Joseph Floss stated that there are several members in East Amherst VFD and Swormville VFD that are hitting the 30-year maximum this year. So they are not being actuarially funded beyond this year. Kathy Sibol said what she is seeing is with each plan specification, the five year buy back past service award started in 1992 which means the 2016 point system year is the last point system year in which anyone who earned or was awarded the fifty point for each of those years will be able to earn a year of service under the current plan provisions. State Law allows you to go up to forty years however in order to do that, you would have to go to mandatory referendum.

Amortization is a mechanism of this projected benefit funding method as used here which tries to address any increase in liability associated to a plan enhancement. In this case, it was the reduction to age 55 done in 2003 by East Amherst VFC. The town is on schedule to pay-off in 2022.

In looking at Plan Specifications, 2016 is the last point system year under current plan provisions that participants would be able to be awarded point system year of service into the plan. If an amendment to a plan is done, it must be done in a prospective manor. If it is a general amendment or an enhancement to the program such as going to a 40-year plan or a 35-year plan vs. a 30-year maximum years of service plan it must be done in a

prospective manor. If the plans are not amended in 2017, the 2017 year of service is not a year of service that you can go back and pickup, there is no buy back.

Joseph Floss stated that in 1991/1992, Universal Life Insurance was the only option available when this plan was initiated. Now there is an opportunity to either eliminate life insurance completely and/or replace it with lower cost term insurance. If we go back to saving \$30,000 - \$35,000 in life insurance premium in the plan now because the plan is healthier and we have the funds, guarantee a minimum within the plan in the event of an unexpected death. The greater of the accrued benefit or guaranteed minimum could be paid out of the plan rather than transferring that liability to an insurance company thereby saving the plan on premiums.

Kathy Sibol stated that you can have an insured death benefit within LOSAP or not. If you have a life insured death benefit (and the town's plans do) the town has all along had Universal Life insurance product to insure the death benefit. Participants in the plan, per the plan document their beneficiaries were promised the greater of an amount equal to that face amount of life insurance which in each of the plans but one is \$25,000 life insurance and one company (Clarence Center) is \$10,000. The greater of that amount which would come into the plan in the event of a death and the death benefit would be paid out. A death benefit equal to the greater amount or the present value of the members accrued benefit. The member's years of service had a value attached to it. It was greater than the face amount of the life insurance policy that is what the beneficiary would get.

Kathy Sibol has talked to the Town Board about a product called Group Term Insurance, they have also submitted a quote to the town as well. As of this year, the state insurance department in New York has toughened up the ability for the town and its members to get their life insurance applications completed. Previously the Universal Life Insurance applications were just one page with true guaranteed issue in the past with no health questions asked. Now they are four pages and as of this year they are requiring certain underwriting health questions which were never asked before. Some of VFIS clients feel this is invasive for their volunteers and do not want to go there. That being said, VFIS is bringing back to the Board and have sent out election forms directing VFIS as to what you want them to do. Kathy Sibol asked if the Board wanted to transition to a Group Term coverage vs. Universal Life. Universal Life premium is stated when the policy is issued (the age of the individual directs how much premium will be charged) once stated, that premium remains flat, it does not increase until entitlement age when the policy is dropped by the sponsor. It also accumulates a cash value for every premium paid it is deposited into cash value account of each individual persons policy and grows interest monthly (the cost of mortality, policy expenses, commissions come out but the remainder stays in the account and collects interest). That is an asset of the sponsor, the sponsor owns these life insurance policies, and the insured is the participant. Any cash that accumulates in these policies through the premium payments is an asset of the sponsor. Group Term Life Insurance in the event of a death, will pay the face amount of the policy.

Amherst Town Attorney Joanne Schultz stated that with regard to Universal Life Insurance, she would like to see actual numbers on what it would cost vs. cash value. Kathy Sibol stated that annual reports are provided to the sponsor each year.

The benefit of Group Term Insurance is the proceeds would be paid directly to the beneficiary and they are tax free.

The benefit of Universal Life is the level premium. The proceeds are paid to the sponsor of the plan and the payout is taxable income.

Joseph Floss will e-mail the insurance quotes to the Town Board.

Amherst Town Attorney Joanne Schultz questioned why insurance was even an issue when there is no requirement, she further stated that the plans would cost substantially less without life insurance. Kathy Sibol stated that if the Universal Life Insurance Policy was eliminated, a fair amount of cash would come into the plan from the surrendered Universal Life Insurance Policies. State Law does not require life insurance within LOSAP, it does require death benefits. The members today have been given and promised a certain level of benefit in the event of death. Mr. Floss has stated for the record multiple times through the years that the plan sponsor could reduce expenses by eliminating life insurance.

Life insurance was not an option in 1991/1992 if you were a vendor for VFIS, they insisted that all plans starting out have life insurance in the event of multiple deaths of a brand new plan which would result in an actuarial gain with life insurance and an inability to pay a promise without life insurance. Now that the plans have assets it has been stated consecutively for the record for many years that life insurance is an option for the plan sponsor to eliminate.

Amherst Town Attorney Joanne Schultz stated that with insurance products, the older you get the higher the premium. She would like a calculation that takes a look at what the premiums would grow to rather than if the money was invested. You may have a much higher result if the insurance premiums were invested, the funding levels would increase. Kathy Sibol stated that if the towns were considering not insuring, the town would take on the risk. If you wanted to use another method, you could actuarially project mortality and take on the risk within the plan. The actuary has laid out a mortality expense load that would be built into the plan, but you would have to maintain a minimum death benefit without insurance. This would increase recommended deposit for that expense load but the cash would stay in your plan as invested unless the occasion of death would occur. If you had a catastrophic event, if the plan document is written that you will maintain this minimum death benefit then you would be responsible to pay off that death benefit. There is risk involved that is what insurance is all about.

Harris Hill firefighter William Cummings said that it is a slap in the face that when a fireman who qualifies for LOSAP loses his life insurance when he turns 62 years of age. Joseph Floss stated that this is a mechanism of the insurance plan itself. The plan could be amended to allow that to be continued beyond however, at the time they reach entitlement age each member is afforded the opportunity to take over the plan expense and the ownership of the policy with no medical questions asked. Mr. Cummings further stated that if a fireman is still active at age 62, there should be a provision. He suggested the town self-insure and put money aside in the budget or in the amortization. Mr. Floss said if you eliminate life insurance completely, the plan could be amended to state that the firefighter regardless of age as long as they are still active could have a minimum set forth but you are assuming that risk, you are not transferring it. Mr. Floss further stated that every active fireman in all four fire departments will receive a letter saying that they have the opportunity to purchase the individual Universal Life Insurance Policy stripped of its cash value (which remains with the plan) and take over ownership and payment. That premium will hold level until age 65 when there could be increases in the premium after age 65.

Generally speaking, Town Attorney Meckler stated that the town is not big enough nor is the town budget big enough to take on a lot of risk because that risk goes into being able to provide other services to the town.

Town Attorney Schultz stated that that there needs to be an analysis done that shows the difference in the growth of the defined benefit plan if there are no insurance products vs. having the premium grow within the plan. That is an analysis that should be done to see what the difference would be. She further stated that it may be better if there were no

insurance products, this would certainly be worth investigating. Kathy Sibol stated that this would be a major undertaking. Town Attorney Schultz suggested just going back five or ten years and take a look at what the cost of the policies are and what is the benefit vs. the cost. Town Attorney Meckler stated that the risk is not going back from 1992 until today for the last 25-years, the risk is today going forward. Kathy Sibol agreed and said that an analysis could not be done.

Town Attorney Schultz disagreed and said an analysis could be done. She would like to take a look at what the premiums were and how they would have increased if they were not going towards universal life insurance which is not ultimately going to the firemen because the cash value goes to the town which in turn goes towards the benefits. Kathy Sibol stated that the investment vehicle with this program is a Group Annuity Contract, that has a current rate of 4% (**not sure of this figure, tape was not very audible**). If you were to compare the premiums paid for Universal Life Insurance over the last five years compared to where the premium went in the life insurance policy and what rate it was earning vs. what it would have earned had it been invested in a Group Annuity Contract over that same duration would be a huge undertaking.

Joseph Floss stated that he is going to recommend ultimately the plan sponsor of the four plans gravitate away from Universal Life because of the NY State changing the questions. It will be up to the Town Board to decide whether or not that is going to be replaced with Group Term Insurance or promise in the plan for a minimum death benefit. Whether greater of the accrued benefit for that individual fire fighter or minimum death benefit.

Kathy Sibol read off what the estimated Universal Life premium is currently and what the estimated Group Term premium would be to replace that for each of the four plans. Kathy stated that these quotes were done for the town July 2015 (ages of the firemen are taken into account). This information will be e-mailed to the Town Board.

Kathy Sibol said it is up to the Town Board whether they want to maintain life insurance within the program or not and what coverages you want outside the program. The investment product the town has used with VFIS since the inception of these plans administered through VFIS has been a Group Annuity Contract. It is an investment vehicle and investment vehicles include guarantees, shift of risks in any event this contract has a lifetime floor of 3% - net of all expenses. You will not at any time earn less than 3%. Old money/new money can go into this account. It has features built in that it will issue for you monthly benefits to members receiving entitlement benefits as well as necessary tax reporting for these distributions. Since the inception of these plans, the town has never lost money.

As of late last year, VFIS working together with Lincoln Financial had built a product called HeroPlus. Frank Gusmano stated that HeroPlus is a collaboration with VFIS and Lincoln Financial. Lincoln Financial is an S&P 500 Company, one of the top five insurance companies in the country. Their goal is to be able to offer some investment options to those sponsors who want to take on more risk. The current Mass Mutual Contract is an impressive contract in today's interest rate environment it is not locked at 3%, it can go up. They are not looking to replace that, they are willing to work in combination with that for those sponsors who are interested in investments.

The VFIS HeroPlus program provides a single solution for sponsors of Length of Service Award Programs, by utilizing a combination of equity funds, bond funds and fixed annuities in one simple plan. The VFIS HeroPlus program brings together a suite of services from several different providers into a single offering to help reduce costs while providing flexibility for plan sponsors. The program can be customized at the local level to meet the specific needs of the plan sponsor, without having to amend the plan document. The program includes: access to a group annuity product that features tax

reporting, check writing and 3% rate floor, plan sponsors may select from a range of risk models developed by Yentis & Associates, mutual funds with fully disclosed fees, no cost for fund transfers, no surrender charges to the plan sponsor or participants, no additional trust or custodian fees, no minimum contribution level, independent actuarial services, flexible benefit payment options and dedicated plan administration personnel.

Joseph Floss stated that this is another option. The Town of Amherst is funding part of East Amherst and Swormville VFC and they could put their share into something more aggressive. The Town of Clarence has been more conservative can put their funds for those two fire department into the plan to work at the 3% guarantee. A portion of the funding can go into HeroPlus and a portion of the funding for both plans going into the fixed annuity. The plan sponsor would stipulate where the funds are going to be held. Town Attorney Meckler stated that if an agreement could be worked out between Amherst and Clarence whereby if the market went up Amherst would benefit from it. Amherst would be taking the risk if they wanted to invest in the more aggressive plan. Amherst Councilman Steven Sanders said it would be very complicated to do it this way.

Amherst Town Attorney Joanne Schultz stated that as an attorney the Town Boards have a fiduciary duty to manage the LOSAP funds in a proper way. You can have a situation where if you are locking yourself into a 3% rate of return when the stock market returns are higher than that for a number of years somebody could possibly say you are not doing your fiduciary duty. Town Attorney Meckler disagreed with this statement saying that it is absolutely not against the fiduciary duty of the Town Board to get 3% minimum every year.

Amherst Councilman Steven Sanders stated that when you shift risks, you are also adding expenses nobody takes on risks for free. Anytime the Town is getting a guaranteed 3% minimum, which means someplace else there was an expense involved in shifting that risk which means in the upside of the market, that you are losing out on some of the returns that you would have gained if you would have not been doing that same investment. Amherst which has not used a minimum 3% has had significantly higher years earlier on (but not in the last couple of years) but there is a trade-off and it has to be understood you cannot say that 0% risk is automatically better. It is the best interest of the board to do what is best for the firefighters which is to get them the greatest return by minimizing expenses and maximizing returns. Supervisor Casilio stated that this Town Board does not have the luxury of throwing extra cash into the program when it is not doing well. Amherst Councilman Sanders further stated that they are trying to do what is in the best interest of the firefighters saying how much risk they are willing to take in order to get a higher return on that investment.

Kathy Sibol said that by shifting risks, there are certain expenses that are incurred. There is also additional expense involved with active investment management which needs to be considered as well.

Joseph Floss will e-mail both Towns (Amherst and Clarence) regarding Universal Life vs. Group Term Insurance vs. no life insurance.

Gregory Skibitski from East Amherst VFD stated that state law allows entitlement age at 40-years. Some of the most active members are reaching that 30-year pinnacle. East Amherst VFD through good financial work has the lowest tax rate per thousand in Erie County. In addition, they have held the line on their budget five years in a row in both Amherst and Clarence with a 0% increase. They currently have a proposal before the both Town Boards to increase the entitlement age from 30 to 40 years. This will require a referendum. They have obtained from VFIS up to date information for what the added cost would be for this amendment, there is no buy back, so this is the year it has to be done.

Attorney Heather Giambra stated that the Town Board has not had the opportunity have a discussion about the additional cost of raising the entitlement age from 30 to 40 years.

Town Attorney Meckler said that East Amherst VFD would have to find a way to decrease their budget to make up any increase the Town would have to fund. Again the representative from East Amherst VFD stated that they have kept their budget at 0% for five years and have the lowest tax rate per thousand than any other fire department in Erie County. They are at that point where some of their 30-year members are hitting that pinnacle and this is the perfect opportunity to give rewards back to the volunteer firemen that are committing their time everyday 24/7. They are doing their part financially to make this affordable to the town. Now they are asking the Town Boards to help them help their community by honoring their request. Supervisor Casilio stated that this amendment will have a half a million dollar impact to the town per Fire Company. Mr. Skibitsky said he was only speaking on behalf of East Amherst fire department and their financial good work, he is not speaking for the other fire departments. He would hope the town would consider their proposal and extend the entitlement age from 30 to 40 years. Town Attorney Meckler stated that the Town Board has to review the numbers and how East Amherst VFD can further reduce costs to make up for the increased costs of this amendment. Supervisor Casilio stated that LOSAP costs fall under the tax cap and he is trying to stay under the tax cap as are all other towns. Supervisor Casilio further stated that he can provide East Amherst VFC with the impact for just their fire company to see if they can fund the program internally. This is an option the Town Board could look at but he is not going over the tax cap for one Fire Company. Mr. Skibitski said the Town is putting East Amherst VFC in the same group with all the other fire departments, he does not know of any other fire department that held their budget at 0% increase for five years or lowered their tax rate like they have.

Amherst Councilman Sanders stated that they would have to take a hard look at the numbers and what it would cost. They have nine other companies that would want to potentially change their entitlement age as well.

Mr. Skibitsky said if the Town Board's answer is no, they will not entertain a referendum then they should at least give East Amherst VFC the numbers and allow them to work within their own budget, staying within the tax cap of being able to fund this if they want to and the town would go forth with the referendum. Supervisor Casilio said that the Town Board has not even had a chance to look at the numbers to be able to make a decision on this. He further stated that he wants to stay below the tax cap. LOSAP is going to fall within the tax cap requirements so if East Amherst LOSAP goes up because of mortality rates or other factors that will be included in the calculations for their annual budget. Town Attorney Meckler said that even though East Amherst VFC did a great job in keeping their budget down, the town still has to three other fire companies to consider.

Supervisor Casilio stated that one change in one Fire Company will take the town over the tax cap, this will end the refund checks and the whole appearance of the town budget will change because of that. William Cummings from Harris Hill VFC stated that LOSAP has not increased the \$20 per year, per month of service amount since it was first instituted and asked if there was any consideration of a cost of living increase. Kathy Sibol stated that Article 11a governs LOSAP and tax payer dollars in the State of NY, there is no provision for a cost of living increase. Once you get above \$20 per year of service, you may have federal issues with the IRS to deal with.

Motion by Supervisor Casilio, seconded by Councilman DiCostanzo to enter into Executive Session at 10:35 A.M. to discuss an Attorney-Client matter. Upon roll call – Ayes: All; Noes: None. Motion carried.

The Work Session resumed at 11:34 A.M.

Troy and Bank's Consultants – Kevin Garry

Since 1991, Troy & Banks, Inc. has been helping clients cut utility and telecommunications costs and recover charges that should have never been collected. Troy & Bank's is a privately held corporation headquartered in Buffalo, NY. Fortune 500 companies, businesses and municipal corporations all across America have turned to them for cost control solutions.

Kevin Garry is present today to discuss the Cable Franchise Fee audit that they are proposing. They want to make sure that our cable provider is paying the amount of revenue that the town is entitled to. More often than not, that is not the case and they are able to secure refunds for their clients based on these underpayments that frequently occur. They are looking to do a retroactive analysis of the cable franchise fee agreement and then pursue claims on behalf of the town if they find them. Troy and Bank's Consultants work on a performance basis so if they do the analysis and they make a determination that the town has been compensated the amount of revenue that we are entitled to, they will let the town know at no cost. However, if the town has been underpaid and Troy and Bank's is successful at getting checks issued to the town based on the underpayments, at that point they would be compensated a percentage of the recovery that they were successful in achieving. The standard rate is 50% however they are offering a 10% reduction in their standard rate for the Town of Clarence.

Kevin Garry stated that along with the cable franchise fee audit, he would also like to do a telecommunications and utility audit as well. This would involve looking at the utility and phone accounts that are paid by the town. They do a six year retro active analysis, they often find over charges, incorrect billing and mistakes made by the utility and telephone service providers. It is the same principal, they will pursue refunds on the town's behalf and only get paid if they are successful.

A proposal was submitted for 40% for their services across the board. Mr. Garry is hoping the town would include utility and phone audits along with the cable franchise fee audit.

Mr. Garry stated that he has not had the opportunity to review the cable franchise fee agreement that exists between the Town and the cable provider. He is finding that the cable providers have written a clause in their contracts which prohibits a contingency fee audit.

Supervisor Casilio stated that currently the town does not have a new agreement and one of the reasons why the town does not have a new agreement is because the cable company has that clause in the contract, however that clause is not in the old agreement. Mr. Garry stated that if that is the case, he can do his work retroactive.

Troy & Bank's just received a large refund for the City of Buffalo for street light overcharges. They do a field audit, they do an inventory of all the street light within the town boundaries, the town is being billed based on the inventory. They often find bulbs that are not working, lights that do not exist or charges for higher watt bulbs. There are numerous reasons why you may be billed or overcharged on street light accounts.

If there is no clause in the town's cable agreement that prohibits a contingency fee agreement then Troy and Bank's would like to proceed with a percentage audit. Other options include a flat fee audit - \$15,000 for a three year audit, \$20,000 for a four year audit or \$25,000 for a five year audit. If it is done on a percentage basis, Troy and Bank's take all the risk and may not get paid anything. If it is done on a flat fee basis, the town takes the risk and Troy and Bank's gets paid even if they do not find any discrepancies.

Supervisor Casilio stated that he will have Town Attorney Meckler review the contract. Mr. Garry stated that he would have to see the current cable agreement in order to

proceed. Councilman Casilio presented the current franchise agreement and asked Mr. Gerry to get back to the Town Board to see if he could proceed with a percentage basis. Seventy percent of the bills they analyze, they find issues with. Supervisor Casilio felt this was a win-win for the town.

Pam CuvIELLO, Accounting Dept. & Donald George, Intern - April Financial Report

Pam distributed copies of April 2016 Financial Report showing April's receipts in the General Fund. She received the Town Clerk's report so she was able to add in those numbers as actual numbers received for April. In looking at the year to date variance, we are up \$307,771. Anticipated revenue for Erie County Sales Tax Distribution was \$1,158,381., the town received \$1,324,089. Most of the \$307,771 is coming from sales tax, franchise fee (up slightly), general services, share services and zoning fees (up slightly). Justice Court revenues were not listed because the Court generally does not turn their money over until the 9th or 10th of the month.

General Fund Expenditure's year to date: we are \$48,384. above what was expected. Pam stated that the town is at 25% of budget used through April. Being that we are four months into the year, she feels that we are where we should be.

The bulk of the Historical Museum budget is the \$25,000 stipend they get, their percentage of budget used is at 74% because of that. The only other thing that is included is utilities. The Senior Center, Historical Museum and Concert Association receive stipends. Pam further stated that the town has a shared agreement with the Town of Amherst for Meals-on-Wheels their stipend is \$13,000.

Highway Fund Revenues are \$52,000 above what was anticipated at this point in time. Miscellaneous Revenue was generated from selling scrap metal and from the sale of some equipment at auction. Highway Fund Expenditures year to date are down \$123,384. They are down \$100,000 in employee benefits, with the mild winter there was little to no overtime in January, February and March.

Pam stated that Donald George did a lot of the work on this report. Supervisor Casilio stated that Pam and Donald George have been working on the budget format. He asked Pam what the status was on the letter and comments he submitted to her. Pam stated that she has not had a chance to sit down and dissect that letter and is still trying to catch up from being on vacation. Supervisor Casilio main discussion with Pam was more columns in the budget so he can see the original input from Department Heads.

Supervisor Casilio stated that in a meeting he had with Donald George, they discussed Google Docs which is an online word processor that lets you create and format text documents and collaborate with other people in real time. We have it available internally on the town's server. With this program, Department Heads can directly enter their budget information using this online program. They can only see their budget. This will mean less paperwork and you can see the raw numbers. Supervisor Casilio thanked Donald George for bringing this to his attention. Don's internship is coming to an end, Supervisor Casilio thanked him for his service to the town and the expertise he brought to the town which will be a savings to the taxpayers.

Councilman Shear discussed the proposed Braunscheidel project at 9610 County Road in the Industrial Business Park Zone next to Mr. Bonito. Instead of Mr. Braunscheidel locating his new building deep into his lot, he is going across his lot. He is more than willing to put in a berm in the back however he is only going to be approximately 300' deep with his building. He would like to have the berm up front. Councilman Shear felt

that if the berm was close to the proposed building, it will be maintained. If he were to take it all the way to the back and line up with Mr. Bonito property the neighbors on Martin Road would like him to do that because Mr. Bonito is not doing what he promised he would do. Mr. Braunscheidel is willing to put a berm to the rear of his property but Councilman Shear did not think it made any sense, he would rather see the berm up front where it will be maintained and leave the land behind the building remain in its natural state. If you place the berm all the way to the back of the property next to Mr. Bonito, he did not think it would be maintained. Councilman Shear stated that Code Enforcement should be speaking to Mr. Bonito about his property.

Supervisor Casilio thanked Karen Jurek for creating the organizational chart that she distributed and enlarged to hang on the wall in the Town Board meeting room.

Supervisor Casilio along with Town Clerk Nancy Metzger have received e-mails from the contractor working on the Parks Lavatory Facilities Building project. When there are disputes, they should not be directed to elected officials but forwarded to the Town Engineer.

Supervisor Casilio reminded the Board that there is a ribbon cutting today at Nashville II at 5PM.

There being no further business, the Work Session ended at 12:10 PM.

Darcy A. Snyder
Deputy Town Clerk