

A Special Meeting of the Town Board of the Town of Clarence was held on Monday, October 22, 2012 at the Clarence Town Hall, One Town Place, Clarence, New York.

Supervisor David C. Hartzell, Jr. reconvened the meeting from October 18, 2012 at 6:00 p.m. Members of the Town Board present were Councilmembers Bernard Kolber, Patrick Casilio, Peter DiCostanzo and Robert Geiger. Town Attorney Lawrence Meckler and Pamela Smith, Director of Administration and Finance were present.

Supervisor Hartzell said this meeting is primarily for the purpose of discussing the fire company budgets.

Councilman Casilio said the Supervisor put in the same amount as this year. They wanted to know if that amount is acceptable. The issue of multi-year budgets should be talked about. He wanted to work things out prior to the public hearing if possible.

Swormville Vol. Fire Company

Kathy Andres said they would like a three-year contract as they did before. Their request included increases of 3½ % the first year and 1% increases the second and third years of the contract. The contract amount requested the first year is \$220,648.

Councilman Casilio said we all know the intent was to keep the rate flat, but the Supervisor wants the contract flat.

Supervisor Hartzell said one thing we are running into is the State is starting to audit fire companies. They recently audited Lancaster. The issue is the fire companies have a lot in reserves. The State is saying that they cannot keep that much.

Councilman Kolber said they hammered the Lancaster Town Board for approving increases while the reserves kept going up.

Supervisor Hartzell said he is not comfortable at this point doing multiple year contracts when we do not know what is going to happen with the State over the next year. He would rather do one-year for now until we get more clarification. Pam called the State today and they would not give us guidelines, only a high.

Pam Smith said she spoke with the person who did the audit in Lancaster and he said in the article that it was excessive. She asked him to define excessive. He said when you have a fire company who has as much in reserves and cash on hand as they are asking for in a budget, it is excessive. They were criticizing the Town Board for not questioning the fire companies and giving them whatever they asked for.

Supervisor Hartzell said Swormville is in a similar situation as in Lancaster.

John Gaulocher said they cover two towns, so you have to look at the total budget of about \$519,000 and the reserves are \$213,000.

Councilman DiCostanzo said in looking at the 990 at cash plus investments it is about \$985,000 for 2011.

Mr. Linde said they are well aware of the State audits on fire companies. They have used the same strategy for reserves for years so that they do not have to raise taxes. They also just bought a fire truck and did not have to borrow money.

Supervisor Hartzell said he is not saying it is a bad thing. He thinks we will have to do contracts a year at a time.

Councilman Geiger suggested doing multi-year contracts with a clause.

Mr. Gaulocher said there is a clause in all of the contracts because you never know what could happen. He said the reserve issue is all new to him. The issue they were presented with in Amherst had to do with LOSAP. They requested a 3.6% increase in Amherst also. Amherst said they cannot do that because Clarence is billing them 4.6% for LOSAP and they have to increase the rate by 4.3%.

Mr. Gaulocher read a statement saying that the budget for Swormville Fire Company is not acceptable. By holding the fire companies as hostage because of the Town error on the LOSAP program is not fair to the members or taxpayers. The Town of Clarence received poor legal advice and did not put the money in escrow and now charging the district over three years. It is a totally separate issue from the operating budget. They had no control.

Councilman Kolber said that program was set up through a referendum. The Town could not change it without a court order. They could not make the payment without regard to how it was set up. We did put money aside.

Mr. Gaulocher said either way, the two issues are not related, operating and LOSAP.

Councilman Casilio said we are here to talk about the budget, not LOSAP. He does not feel they are being penalized here on that.

Pam Smith said we had enough in escrow for one year. There were other issues because the number we started with was not what we ended up with. People were coming out of the woodwork. There were multiple problems.

Mr. Gaulocher said they have three reserve accounts for buildings, apparatus and air packs. They did receive a grant to purchase air packs but they know you cannot count on that. They know that they cannot come to the town and say they need \$150,000 some year for that purchase. The worst thing they did was keep a truck longer than 20 years and spent \$20,000 in repairs in two years. They ended up selling for less than what they put into it. The ambulance is 12 years and the chief's trucks are replaced every three years under state bid.

Councilman Casilio said he does not want to see people penalized because they save money and buy with cash. We cannot even get guidelines from the State.

Mr. Gaulocher said they would like to see their budget approved as requested so they can go back to Amherst where there is a bigger impact. All the other companies in Amherst got an increase.

Supervisor Hartzell thanked them for coming. The Town appreciates everything that they do.

Councilman Kolber asked how much of their total budget would go into reserves.

Mr. Gaulocher said \$120,000 with Clarence portion being 36% and Amherst is 64%. Mr. Linde added that it is split out by using a formula from Dan Tirone years ago.

Harris Hill Vol. Fire Company

Councilman Casilio said the Supervisor put in \$715,855 and the request was for \$724,569. The Supervisor does not want to enter into multiple year contracts at this time.

Supervisor Hartzell said the State started cracking down on the school districts because of large reserves and still asking for money. It is nothing personal; it is just that the State is starting to squeeze schools and towns with the 2% caps.

Scott Switzer said he really likes to have the multiple year contracts. The real issue for them is the replacement of air packs.

Garry Soehner said they have never had an issue complying with any State guidelines or regulations for auditing. They have been able to plan out capital purchases and things like that very responsibly in ways that have saved the Town a significant amount of money. They do not owe anything outside of their mortgage.

Supervisor Hartzell suggested they pay down some of their mortgage or the State could have a real issue with them.

Town Attorney Meckler asked if any of the audits looked at the reserves.

Mr. Soehner said they look at their procedures. He has always received a report of no changes needed. He thinks they manage their reserves properly for very big expenditures. The reserves are mostly for vehicles, and then capital projects, breathing equipment and an emergency fund.

Scott Switzer said they have two vehicles past due for replacement and could stretch a little more. As Swormville said, you take a chance on how much it could cost in repairs or outlive the value. The ambulance is four years past due.

Mr. Meckler asked how long the reserves would last without any increases.

Mr. Soehner said they have about \$1.4 million in reserves. It could be 5 – 10 years.

Councilman Kolber said you need to replace some of your trucks now.

Mr. Switzer said their engine no. 2 is overdue and the next truck is five years out.

Mr. Soehner said they also use equipment in mutual aide situations depending on who has what.

Mr. Switzer said ISO sets the standards they have to follow.

Councilman DiCostanzo said he just does not want to be criticized for giving money and the reserves keep growing.

Councilman Casilio said he does not necessarily agree with ISO because most of them do not have enough manpower to run the equipment they are supposed to have.

Councilman Kolber said as long as there is justification for the reserves; he does not see how they can be criticized.

Mr. Meckler said if they had a capital expenditure plan that shows all this, it would be helpful. It would show a correlation to the reserves and what they are asking for.

Councilman Kolber said it is not a hard amount; it could be adjusted on a yearly basis.

Mr. Switzer said he has a replacement schedule for their equipment. In regard to the air packs, at some point safety overrides prudence here.

Supervisor Hartzell asked if he could email the replacement schedule so the Board can review it.

Councilman Geiger asked if they were in favor of a multiple year contract if it was offered.

Garry Soehner said their board and body are in favor of a multiple year contract. He thinks it is easier for everyone. They have not had an increase for three years. By managing the reserve accounts, it has kept them from having to ask for more.

Clarence Center Vol. Fire Company

Councilman Casilio said we are discussing reserve accounts.

Joseph Schoellkopf said the profit from the picnic goes to the benevolent association. It benefits the firefighters. They are required to work the picnic. That money has always been separate. It is not funded by tax dollars. They have used it on occasion to give loans to the fire company interest free. It has been paid back. The benevolent fund has also donated \$100,000 to the fire company for building improvements. Everything in the picnic grove is maintained with the picnic money.

Mr. Schoellkopf said the replacement schedule includes the ladder truck in 2016. The other trucks are spaced out for replacement. They have just under \$600,000 reserved for the ladder truck. They hope to replace three chief vehicles this year. They are looking at options for replacement of the ambulance. There is \$260,000 for roof replacement. They will send the schedule. They would be willing to agree to \$800,000.

Mike Rogowski said they are between 10 – 12 years on the air packs. They are barely meeting the standards.

Mr. Schoellkopf said they would be willing to enter into a multi-year contract with an increase to \$800,000.

Councilman DiCostanzo said it is the same as with the other companies; we have to justify their reserves. We are allocating \$245,000 to add to reserves.

Councilman Kolber said he does not think it is so much the amount as why is it there.

Supervisor Hartzell said in their case, almost 200% of the reserves versus what you are asking for would be a difficult argument.

Town Attorney Meckler said in reading the article about Lancaster, it seems as though they did not go through this extensive of a review.

Councilman Casilio said we also do not know the whole story.

Councilman Kolber said the auditor told Pam we were about the only one who did any type of review.

Mike Rogowski said they have a 15 year replacement schedule in place, which is 5-year hard plan, with rolling 10. By 2015 before the ladder truck is due, they will have \$700,000 more than they have now. If the State is looking negatively now, what will they say then?

Councilman DiCostanzo said talking theoretically about adding to the reserves, say they get the roof fixed and buy needed equipment. By 2017 the mortgage will drop, so by April 2017 the budget would drop by \$150,000.

Mr. Schoellkopf said we are debating these things, but they have been offered zero. The Town Board is doing their due diligence beyond what they have seen recently. On the other hand, they have gone three years without any increase.

There was discussion regarding the public hearings and if the amount of the contracts changed. Councilman Kolber felt that if the amount is higher, we should set another hearing.

Town Clerk Nancy Metzger said that they do have time to set another public hearing for each fire company, if they so choose, for November 14th, but they would have to amend the time of the budget hearing to be after the fire company hearings.

Pam Smith said the budget has to be filed with the county by November 20th.

Rapids Vol. Fire Company

Councilman Casilio said they appreciate that the paperwork was turned in on time.

Ronald Wick said three years ago they received a grant for the Scott PAKS. They are trying to get a few more years out of a 20 year truck. They rely on a ladder truck through mutual aid with Clarence on this side and South Lockport on the other side. They have a 3-year contract with Royalton and a 5-year contract with Lockport. They prefer 3-year contracts.

Supervisor Hartzell thanked them for coming.

Councilman Casilio said they had requested \$41,715, but the number being considered is \$40,500.

Councilman Casilio asked Pam Smith if we have more LOSAP information besides the amounts in the budget.

Councilman Kolber said that is what it is.

Pam Smith said 2013 is the last year for EEOC payments. Then we should see a decrease in many of the budgets.

Councilman Casilio said Amherst paid the higher rates for over six years. We saved them money.

Councilman Kolber said we paid back according to the statute of limitations and they paid the extra. He believes there is a mix up over this issue.

Supervisor Hartzell said when talking about people's pay, there is no easy answer. Larry suggested hiring an HR consultant to put a plan in place.

Councilman Casilio said that horse is out of the barn for this year.

Supervisor Hartzell said stipends are out. We could put the money in the budget and get a system in place by July. Then if it is determined that they get an increase, it would be retroactive.

Councilman Casilio said a lot of these people are appointed every year and they do not even know if they will have a job.

Supervisor Hartzell said all the towns do it differently.

Supervisor Hartzell said they could discuss it further on Wednesday.

Motion by Councilman Kolber, seconded by Councilman Casilio to recess this meeting at 7:40 p.m. until the work session of Wednesday, October 24, 2012 at 6:00 p.m. Upon roll call – Ayes: All; Noes: None. Motion carried.

Nancy C. Metzger
Town Clerk