

**TOWN OF DEERPARK
TOWN BOARD MEETING
WEDNESDAY, SEPTEMBER 2, 2009**

Meeting was held at Town Hall, 420 Route 209, Huguenot, New York 12746

Attendance:

Supervisor: Gary Flieger

Councilmember's: Viola Sinsabaugh, Karl Brabenec and Gary Spears

Engineer: Al Fusco

Absent:

Councilmember: Liam O'Neill

Note: There was no call to order or Pledge

Workshop dealing with Peenpack Trail Grant began at approximately 12:00PM; the following comments are from the discussions that took place:

Gary Flieger: I have more money coming in, in October, sales in November, Mortgage, so it's there, where the issues comes in and where Gary is bringing up a very good point is there should have been a financial statement of where and how the Government is going to run according to that. What my problem was is I gave this to Mr. Bavoso two weeks ago and he came up with this problem last night at 4:30, so obviously our accountant hasn't had time to come over here to put a financial statement together, because a financial statement should have sat with this, stating that this is there and that can be done.

Viola Sinsabaugh: The one question, you say we have the \$500,000 in the general fund, but what would that money pay if was not going for this. Gary Flieger: That's what a financial statement would come up with, it would show you what bills are due in the near future, mostly everything could be deferred off except payroll, and we would have to figure out what that payroll is. Now there's another fund out there that I didn't even look into to see what's sitting there and that's highway, there's another cushion there that we can steal from but I would have to have Ed's permission to bring that over here to use, I don't know what the highway fund is. Viola Sinsabaugh: What is the deadline on this? Al Fusco: We have time, but if we're trying to get this shoehorned in to get the work done before this fall season, that's what the rush is, we don't have to rush, you're not going to lose the grant if you don't do this right now, it just means that we'll probably pave in the spring.

Karl Brabenec: We might pay more for the material in the spring. Gary Spears: We might lose a tenth of a mile or something if the prices go up, the struggle with this is we have to take a half a million of what we have and appropriate it, we can't do that, it's already been basically appropriated for budgetary items. Al Fusco: Well you know what you could do, but you need a little bit of time to work it, is you can a BAN, so whatever bank you usually deal with, is you can do a BAN for \$500,000, but you're appropriating it, and authorizing the Supervisor to sell a BAN. You can do it in that fashion, it doesn't have to be, or what you can do is you can appropriate it out of the general fund, the \$500,000 and offer him to replenish it with a BAN of \$500,000. Gary Spears: The only problem is we're having trouble getting any financing from anybody, so it's going to be hard to do that. Karl Brabenec: We got the e-mail at 4:30 last night and I responded back that somebody should contact this guy Ryan at TD Bank who's the head of the Government financing section to see if we can do a RAN or some kind of thing. Gary Flieger: Basically what I wanted to do is to have Rob Schultz come in, when you say that you have the \$500,000 earmarked out for the budgetary reasons doesn't mean it's for those reasons, what I'm getting at is as that money comes in it gets spent out as it's needed. This \$500,000 that we'd be using for this would depend on the project itself, what bills are do, so what you're doing is you're going to use the town money, then roll over in to when you are reimbursed that's what you'd use to pay. Gary Spears: That's the problem I have and that's my distrust. Gary Flieger: I understand that, but what you're doing, is you're doing the same thing by going out for a RAN also. Gary Spears: No because a RAN is not going to be, they're not going to come back at us. Here's my problem with this, say we do this and this project runs perfectly and it's done November 30th, and we've laid out \$500,000 and this reimbursement doesn't happen to come back to us until February, so you got all payroll, medical benefits, everything all December, beginning of January and whatever, and we're not having any money, we're going to look like fools. Al Fusco: You have to back it up with a BAN or a RAN. My point was is if you wanted to you could say you're going to appropriate it out of the general fund today and then back it up with a RAN or a BAN tomorrow. Gary Spears: That's my question, is really the deadline is, I'd rather do that first and then next week or so see if we have an opportunity to get a RAN or BAN, and then if we pave in the spring so be it, at least we're not putting the town residents at a \$500,000 jeopardy. Karl Brabenec: See the problem is we have a RAN that was for \$325,000 and the board was told that money is coming, that grant money from FEMA is coming and that money was never applied for, not saying that you're not applying for this, I'm saying there are things that could fall through the cracks with even the loan, where they don't give us the loan and then we're stuck and then what are we going to do? How to make up \$500,000?

Gary Flieger: To begin with you're totally off key with it because, the RAN for \$350,000 was fraud, we, Mark, actually made up some papers and showed it to the bank that the money was coming, he used a year old paperwork to make it happen, to show that, and he used those previous paperwork to BS this board in that it was coming, and at that time he knew it wasn't coming, so that was done through fraud, that is not how you do business, and that isn't how I've done business, and a RAN would never work for this particular thing at all. Karl Brabenec: You just said we needed a RAN. Gary Spears: No I think he said BAN. Gary Flieger: No, I said BAN, there is a difference. Gary Spears: A RAN is a Revenue Anticipation Note.

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Al Fusco: A BAN is a Bond Anticipation Note, that means you're going to borrow money. Gary Spears: So we would need a BAN commitment for \$500,000. Gary Flieger: A RAN won't work because of the previous history that we have had with the last RAN where we screwed up on it, they won't touch us on a RAN towards a... Karl Brabenecc: But wait a minute they gave us the RAN last year for the sales tax... Gary Flieger: Karl if you'd let me finish talking instead of jumping into it, keep your britches on and sit down... Karl Brabenecc: Excuse me you don't talk to me like a child alright... Gary Flieger: The RAN that we had previously... Karl Brabenecc: Jerk... Gary Flieger: The RAN that we had previously was for a grant that we had made out, that grant fell through... Karl Brabenecc: Incompetent... Gary Flieger: When that grant fell through we will no longer get a RAN for anything that we have to do like this. When you have a sales tax item that's from the County, they know it's going to come through and you're going to make out fine with it. Gary Spears: Okay, so we need a BAN, so let's not stand here and discuss it all day, we need a commitment for a BAN from a bank so that we can sign this, and we need it in a couple of weeks. Viola Sinsabaugh: So what we need to do is get out to the banks to see if we can get a BAN in this short length of time. If you want to get Rob Schultz to get the financial statement, you can do that also, but I think our first priority should be to try to look for a BAN. Gary Flieger: I think what we're going to end up doing is I would like to have Rob come in here, I would like to have him tell us all our options, what the financial is, and do a financial statement on what we've got and where we're going with it. Gary Spears: I don't know how long this takes but I think you better get in touch with him today. Gary Flieger: I had a call in to him at 8:00am, I left a message on his machine and I was talking to his machine as he was coming in to the office, and he has now been on hold for an hour and fifteen minutes with the IRS on a different matter, he hasn't even been able to talk to them. Gary Spears: We're going to have to do this as quickly as possible but we're going to have to do it the right way, we've got to get some kind of commitment. Gary Flieger: I agree 100%, I'm just trying to bring to light that we do have money to work with here... Karl Brabenecc: We don't have money to work with. Gary Flieger: We have money to work with here, I just would like to have a little more on what the game plan is and when it's going to be spent and how it's going to be spent. Gary Spears: We've got to have something committed to us because the money that's in the general fund is already budgeted money; so let's get going on it. Viola Sinsabaugh: Okay, we're notified late, next thing to do get a hold of Rob, and I would contact the bank, if there was a way that we could go ahead with a BAN and to see if we could qualify for one to get this rolling. Al Fusco: I'm very close to Provident Bank and Catskill Hudson, I could talk to them. Gary Flieger: I think the first thing we need is a financial statement. Al Fusco: Yea, but just to start. Viola Sinsabaugh: I would tend to think that we should let him go ahead and look at a bank, the more feelers the better. Al Fusco: The second thing, Flo and I had everything ready in ten minutes from now to advertise this in the newspaper, it has to go there, we are authorized to go to bid, but obviously we can't sign the contracts with the low bidder until we got this contract signed, and we know the money's coming, the only thing I hesitate about is, and not knowing your financial situation, if we're not able to overcome this quickly and we've got these bids out there which are coming back September 30th, and that's not that far away, so if it takes us a month to get the BAN, that doesn't mean we have to award the bids but I'd be more comfortable if we had contractor development before we put the bids out, so I think maybe we'll hold the bids, all we're going to do is change the date, it doesn't mean we can't make it one week later. Gary Spears: Not going to send the bids out today, going to give it a couple of weeks to see how we're doing, and worst case scenario is if it doesn't get done this year it's going to get done next year, and we really can't predict the price if the economy is bad. Al Fusco: The only thing we need to lock in is we've got to put the ad in the paper this fall yet, even for spring work, because of the stimulus thing our clock stops rather than starts before we put the ad in the paper, because we have that whole other 120 day thing, they change the rules every five minutes though; we're in compliance the day we put the ad in the paper, we're authorized to put the ad in the paper.

Discussion turned to fees for Mr. Fusco.

Motion made by Gary Spears, 2nd by Viola Sinsabaugh, to make a payment of \$5,000 today for the bill for the work done by Mr. Fusco.

Discussion: Karl Brabenecc: What line would that come out of? Gary Spears: The town engineering fees.

Karl Brabenecc: Would it come from contingency? Gary Spears: I don't know if there's any money in there. Gary what line would this money come from? Gary Flieger: We were just discussing that, I don't know. There's several lines that we pull his engineering fees out of, now whether it's going to come out of the highway, the highway has to do with roads and this is a road improvement so it possibly could come out of the highway fund, it would be the engineering line on the highway; so there's couple different lines that it could come out of. Gary Spears: Well let's decide where it's going to come out of.

Gary Flieger: I usually let Rob Schultz tell me what line it comes out of, when he comes in with the bills, if Janina has a question on it she asks him because there is some legality on some of these things of where it can and can't come out of.

Karl Brabenecc: I have no problem doing the \$5,000, I just want to know that we have it in a line item before we appropriate it. Gary Flieger: It comes out of 1440.4, even though I don't think it should, it's the general engineering line.

Viola Sinsabaugh: Right now we have \$8,000 in the engineering line, so we could get the five out of that.

Gary Spears: I think that's the good way to go, but if we find out later that we can get it out of highway or something else can we make a transfer. I will amend my motion that we give Mr. Fusco \$5,000 towards his bill and we take it of 1440.4, general engineering line. Karl Brabenecc: I'll Second that.

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Motion to pay \$5,000 to Al Fusco

Motion made by Gary Spears, 2nd by Karl Brabenec, that we pay Mr. Fusco \$5,000 towards his bill and that we take it out of 1440.4, general engineering line.

VOTE: 4 AYES: Viola Sinsabaugh, Gary Spears, Karl Brabenec and Gary Flieger

MOTION CARRIED

Gary Spears: Should we set another meeting or should we wait for Gary to get information back from Rob?

Gary Flieger: I think we wait because I don't know what the time frame is. If everything comes together quicker and the board is aware of it and they decide to have a special meeting we'll do so.

Motion to adjourn 12:32PM

Motion made by Karl Brabenec, 2nd by Gary Spears, to adjourn the meeting.

VOTE: 4 AYES: Viola Sinsabaugh, Gary Spears, Karl Brabenec and Gary Flieger

MOTION CARRIED

Respectfully submitted by,

Florence T. Santini
Town Clerk