

10/3/11 - Board of Trustees Meeting

BOARD OF TRUSTEES MEETING MINUTES – OCTOBER 3, 2011

The regular meeting of the Board of Trustees of the Inc. Village of Brightwaters was held on Monday, October 3, 2011 at 8:00 pm at Village Hall, 40 Seneca Dr., Brightwaters, NY, with the following officers present:

Joseph A. McNulty	Mayor
Charles Fischer	Deputy Mayor/Trustee
Mary Susan Belford	Trustee
Robert W. Fischer	Trustee
Timothy H. Cox	Trustee
<i>John P. Finnerty, Esq.</i>	<i>Village Attorney</i>
<i>Christine O'Shea</i>	<i>Village Clerk & Treasurer</i>

At 8:06 pm, Mayor McNulty called the meeting to order followed by a salute to the flag. After the Pledge of Allegiance, a motion to approve the minutes of 9/6/11, 9/22/11 and 9/29/11 as written was offered by Tr. Charles Fischer, seconded by Tr. Robert Fischer and they were approved 4/0.

Suffolk County Police Dept. Third Precinct

There was no officer present at this meeting.

Trustee Reports

Code Enforcement

Tr. Bob Fischer read his September report for this meeting.....
Summons served 19, fines collected \$800., complaints prepared 2, building permits issued 3 + 1 renewal fee \$451.50, CO inspections 2/\$100., and dumpsters 4/\$100. Tr. Fischer also referenced the Fire Marshal, Matt Brennan's letter, stating that all public assembly permits are now processed for the World Gym, Peter Pan Diner and Mustang Sally's. Fire inspection activity continues weekly throughout the village with periodic re-inspections of all commercial properties insuring code compliance. All violations have been corrected. As is required, Fire Marshall Matt Brennan's contact numbers and related information has been recorded with Joseph F. Williams, Commissioner of the County of Suffolk's Dept. of Fire and Rescue Services.

Highway Department

Tr. Charles Fischer read his report for this meeting...

Hurricane clean up continued for much of the month. After tree removal was done, stumps were ground and debris was cleaned up as needed.

The street sweeper was in cleaning all roads in the village. Over 60 cubic yards were collected and dumped.

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Leaf bags are available for residents to pick up at the village office beginning this week.

Please take note of the sanitation calendar for the dates of unlimited pick-up.

Cutting and trimming around the village has been on going in preparation for the upcoming leaf clean up. In keeping up with helping the environment, we continue to mulch all leaves.

Our winter equipment is being prepped for snow removal.

Lakes and Parks

Tr. Cox stated that the village's annual garage sale will be held on Saturday, Oct. 15 with a rain date on Sunday, Oct. 16. We are still looking for volunteers for this event. Also, on Saturday, Oct. 29 the Pumpkin Run will kick off down at Walker Beach.

Administration

In the absence of Tr. Belford, Tr. Charles Fischer moved to approve Abstract Report #3550 for accounts payable vouchers for \$65,291.08 - The primary driver this month was the garbage pick-up at \$31,000., other wise business is as usual and Tr. Bob Fischer seconded and abstract was approved for payment 4/0.

Treasurer Report @ September 30, 2011

Municipal checking:		
General Fund	\$	36,911
Payroll Fund	\$	241
Trust & Agency Fund	\$	-0-
Restoration Fund	\$	1,968
<i>Investments:</i>		
CLA\$\$ General Fund	\$	1,018,860
CLA\$\$ B.I.G. Fund	\$	3,049

Health Insurance Finance Committee

Tr. Charles Fischer introduces the chairman of the finance committee, Jack Riordan and his committee members; David George, Frank Maffucci, Andrew Arcuri and Bill Casey. At this time, Jack Riordan

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read his letter dated 9/29/11 that is addressed to Mayor Joseph A. McNulty.

September 28, 2011

Joseph A. McNulty, Mayor
Village of Brightwaters
40 Seneca Drive
Brightwaters, NY 11718

Dear Mayor McNulty,

Thank you for asking us to serve on the Village's Finance Council. We have had the opportunity to meet on two occasions in order to attempt to implement procedures that we could pursue with regard to looking out for the Village's future financial well-being. From the outset, it was our intent to conduct a comprehensive study of the various future expenditures including roadway maintenance, multiyear scheduling of maintenance, GASB 45, future budgeting processes, evaluation of the need for reserves and related matters, evaluation of the Village's future financial sustainability, and conducting a comprehensive study of the current health insurance package ("the Plan") offered to all elected officials of our Village.

With regard to the Plan, your request was to also provide an assessment to look at the immediate and long-term financial impact the Plan might have on our Village. You recently requested that we provide an interim report on our findings. Based upon your request, we report to you what we have learned thus far. We wish to point out that our task has been limited to fact finding. We have not made any recommendations. We trust that what we have accomplished thus far will be useful to the trustees and you with regard to the future planning for the Village.

At the outset, the Council created a plan to be used to carry out its study. The following is a summary of the intended course:

1. To secure and review those legal documents which gave rise to the Plan.
2. To secure and review the Village's applicable financial studies and audited financial statements.
3. To review the operation of the Plan.
4. To review the current and projected cost issues associated with the Plan.
5. To poll and review similar municipal entities regarding their plans and compensation of elected officials.
6. To compare the various plans available to similar municipal entities.
7. To review the Village's ability to sustain the Plan in the future.
8. To identify alternative methods in use in similar municipality's for compensating elected officials.
9. To prepare a comprehensive report of the Council's findings.

We are able to report that to date we have accomplished the following:

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1. We have secured and reviewed the legal documents establishing the plan.
2. We have secured and reviewed the Village's applicable financial study and its audited financial statements.
3. We have gathered information regarding the operation of the Plan.
4. We have reviewed the past and present costs of the Plan, and conducted some preliminary analysis regarding the projected future costs of the Plan.
5. We have begun the process of identifying similar municipal entities and developing a list of data we could collect from those municipalities.
6. We had begun to track the cost of this Plan and its relationship to other Village budget data.

The Plan was established by way of Resolution #96-42, unanimously passed on December 18, 1996. The resolution modified the Village's Health Insurance Program (Program) for employees, by offering enrollment opportunities to the Mayor and Board of Trustees (and also provided an "after leaving office" feature). The minutes of the meeting noted that each of the elected officials were present and participated in the meeting, with three residents in attendance.

The Special Meeting Minutes of Village Board of Trustees meeting held on Wednesday, April 25, 2001 were provided to the Council. These minutes contain the resolution which supplemented Resolution #96-42, mentioned above. While it is assumed that the resolution may confer a lifetime medical insurance benefit to any official who serves ten consecutive years in an elected position in the Village, the resolution has not resulted in the extension of any benefit to date. We continue to investigate the intent of the resolution including investigating if the Village of Brightwaters has promulgated any rules or regulations to administer these benefits.

Part of our investigation caused us to evaluate existing financial statements and reports currently available. As part of that process, we obtained the recently prepared actuarial report, prepared for GASB 45 compliance, and note that it does not include any elected officials in its projection of the Village's actuarially determined future obligation. The actuarial report was accepted by the Village's outside accounting firm, Sheehan and Company and was made a part of the Village's Annual Financial Report.

The Village's current Health Program, operated by the State of New York Department of Civil Service, Employee Benefits Division, administers the Health Insurance Programs for many of the state and local governments within New York State, and is referred to as the New York State Health Insurance Program (NYSHIP). In that administrative function, NYSHIP establishes the Program's health insurance premium rates and periodically provides projections of future premium rates.

Statewide, active employee current monthly premiums for single individuals and families are \$693.92 and \$1,513.92, respectively. Currently in Brightwaters, four of the six elected officials have enrolled their families into the Program. Statewide, retiree premiums are currently \$405.64 for singles and \$937.31 for families. This lower retiree premium is due to the Program being supplemental to the US Medicare program.

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As it relates to cost increase issues of this Plan, each of the monthly premium classes have risen dramatically since 1996 and are projected to continue to increase in the future. NYSHIP's estimated projected increases for 2012 are between 13.7% and 18%. For many years, the premiums experienced increases of 10% or more. As an example, just 10 years ago, in 2002, the monthly premiums for singles and families were \$344.66 and \$723.97, respectively. Thus, as a percentage of property taxes levied, the medical insurance program of the Village has increased from 8.7% to 14% when comparing fiscal years 1996 to 2010. This 61% increase is, however, attributable to both elected and full-time employees.

While it bears repeating that our investigation has just begun, we intend to conduct inquiry into what other Village's are doing as "compensation" for their elected officials. While preliminary results indicate that some villages are doing all/some/none of the above, the Council has not conducted a scientific survey at this juncture. Conducting such a survey could be a costly and time-consuming process. The Council has not and will not undertake any actions at a cost to the taxpayer absent specific authorization. In order to conduct a truly scientific study, the analysis would require data and information which could only practically be obtained by virtue of Freedom of Information demands to each incorporated village (at potentially significant expense). The Council has also contemplated having actuarial studies performed regarding the inclusion of elected officials; but this too would result in a significant expenditure (which the Council estimates to be approximately \$3000). In light of these potentially high expenditures, the Council would appreciate your advice concerning how you would like us to proceed.

As reflected above, this interim report has been submitted in an effort to apprise you and the trustees of our results to date. The results of our preliminary investigation can best be summarized as follows: some municipalities do provide various benefits, while others do not; some municipalities do not provide any benefits; of those municipalities that do provide benefits, the benefits vary; and while there may be some question concerning what lifetime benefits the Village currently offers to its elected officials, since no elected official is currently receiving an out of office lifetime benefit, any ambiguity can be clarified by further resolution. Ultimately the determination concerning what benefits to afford elected officials is a policy matter, to be determined by the Trustees.

Please let me know if you have any questions about this matter.

Regards,

Jack Riordan
Chair-
Village of Brightwaters Finance Council

****Trustee Belford arrived at 8:14pm during the reading of this letter.****

Tr. Charles Fischer thanked Jack Riordan and his committee members for all there work that they had done.

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Resolution for Health Benefits for Elected Officials

Tr. Cox read the following resolution aloud.....

RESOLUTION

WHEREAS, the Village of Brightwaters presently provides family or individual health insurance coverage for all current elected officials during their tenure, at the Village's expense, and

WHEREAS, the Village of Brightwaters currently provides family or individual health insurance coverage for life for all elected officials who have served the Village as an elected official for at least 10 consecutive years, upon the end of their service, at the Village's expense, and

WHEREAS, in recent years the cost of such health care has risen dramatically and there is no reason to assume that such increases will not continue in the future, and

WHEREAS, the future cost of health care for elected officials might become an unreasonable property tax burden on Village residents, and

WHEREAS, the current elected officials took office with the expectation that such health insurance would continue to be provided under the Village ordinances in effect at the time of their election,

NOW, be it therefore

RESOLVED, that effective immediately, no person who is not a current elected official of the Village as of the date hereof, but who becomes an elected official in the future, shall receive any health insurance at Village expense for any period of time after the conclusion of that person's service as an elected official, and

NOW, be it therefore further

RESOLVED, that effective immediately, any person who is not a current elected official of the Village as of the date hereof, but who becomes an elected official in the future, shall receive family or individual health insurance at Village expense but only during that person's service as an elected official, and must contribute five (5%) percent of its annual cost. The Village Clerk, near the conclusion of a calendar year and as soon the Village is notified of the cost for the upcoming year for each elected official, shall invoice each said elected official for five (5%) percent of its annual cost, with proration for less than a full year of service, and the coverage will not be put into effect said contribution has been paid, and

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NOW, be it therefore further

RESOLVED, that any current or former elected official who did, or may in the future, serve 10 consecutive years as an elected official shall be entitled to family or individual health insurance coverage for the duration of his or her life at the expense of the Village, and

NOW, be it therefore further

RESOLVED, that all current elected official shall continue to receive family or individual health insurance, without contribution, during the period of their service as an elected official, and

NOW, be it therefore further

RESOLVED, that this Resolution, upon its passage, shall take place immediately and supersedes any and all prior Resolutions concerning health care insurance for elected officials.

Mayor McNulty wants to discuss this resolution and opens the meeting to the public for their comments and/or questions.....

- health insurance is being paid by the residents
- what is cost of health insurance (\$65/yr or \$5.50/mo)
- how many hours do you dedicate to your position (25hrs)
- we take care of our insurance & you should take care of yours
- we should have extra money for roadwork not insurance
- mayor mentioned he has been in negotiations with the union for 4.5 mos.; men got a raise but with no cost to village
- health insurance resolution was done inappropriately
- health insurance should be taken off for everyone
- the people in this room don't represent the whole village
- surprised that trustees voted for this
- people will want to run for office so they can get free health insurance
- remove this resolution right now & reduce taxes
- when will decision be made
- the people should be able to vote on this (only elected officials can vote)
- former resident children can't afford health insurance or to live in the village
- you can't make this a referendum
- take a vote right here
- we need a solution for this, there are more important things to take care of; we need to put this to rest

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- can you vote on your own salary
- they are reacting because we (Common Good Party) sent a flyer out; it only costs \$165 to send flyer out (it costs the village \$500 to print & mail out flyers)
- dark sky legislation inquiry
- World Gym & Peter Pan diner not dark sky compliant
- need noise resolution on common landscape equipment
- political signs

The above health insurance benefits for elected officials had not been voted on.

Resolution – Tr. Charles Fischer moves for Village Attorney Jack Finnerty to investigate dark sky legislation and Tr. Robert Fischer seconded and all approved 5/0.

At 9:58 p.m., there being no further business before the Board, the Mayor called for a motion to adjourn the meeting. Tr. Charles Fischer made the motion; Tr. Robert Fischer seconded and unanimously carried 5/0.

Respectfully submitted,

Christine O'Shea
Village Clerk Treasurer

Public in attendance that signed in: 38 (not everyone had signed in)