

**DATE:** JUNE 26, 2014

**KIND OF MEETING:** TOWN BOARD

**WHERE HELD:** SCHODACK TOWN HALL

**CLERK:** DONNA L. CONLIN

**PRESIDING OFFICER:** DENNIS E. DOWDS

**MEMBERS PRESENT:** FRANCIS CURTIS  
SCOTT SWARTZ  
JAMES E. BULT  
MICHAEL KENNEY

**MEMBERS ABSENT:**

**ATTORNEY:** DAVID GRUENBERG

**COMPROLLER:**

**OTHERS PRESENT:** GARRET DEGRAFF, BOND COUNSEL

---

Supervisor Dowds called the June 26, 2014 meeting to order at 7:03 p.m. with the Pledge of Allegiance and dispensed with roll call. All present as noted above.

**Items to be discussed:**

**Post-Compliance Policy:** Garret DeGraff from Hiscock and Barclay, Bond Counsel for the Town, addressed the Board regarding establishing a post-compliance policy for Tax-Exempt Obligations. He explained that over the past several years the Internal Revenue Service (IRS) has been encouraging governmental units that issue tax-exempt bonds to adopt and implement procedures to monitor post-issuance compliance with federal tax rules relating to arbitrage and use of proceeds. While the adoption of procedures is not required, the IRS now requires government units issuing bonds to report on the IRS form whether they have compliance procedures in place. Generally speaking municipalities are exempt from paying income tax on interest earned on a bond. As the complexity of federal tax law has grown, the IRS has become more interested in seeing that municipalities are complying with the rules on an ongoing basis, especially after a bond is issued. They want to see how bond money, especially related to ongoing obligations, is used. He explained that a municipality cannot claim tax exemption for those proceeds if the purpose is to generate arbitrage. In layman's terms, arbitrage is borrowing tax-exempt money, often issued at a lower rate, and then taking that money and investing it in something at a higher rate, making a profit. For example, a municipality borrows money for a long term project at a really low rate. The bond money is invested and generates interest over the life of the project, sometimes at a much higher rate, so the municipality makes a sufficient amount of money on the proceeds (positive arbitrage). A municipality has a duty to report those earnings to the IRS and possibly pay tax on it. Another reason for the Post-Compliance Policy is that Environmental Facilities Corp. (EFC) established that a post-issuance compliance policy must in place in order to borrow money from them for clean water projects. C. Bult asked if you bonded prematurely and generated interest but then spent all the money on the intended project, would you be subject to a penalty or taxes. Mr. DeGraff said under certain circumstances you can generate interest income above the borrowing cost and use it

towards the project, which the town has done in the past. It is generally permissible as long as it is used on the project or used to pay-down future debt service. Atty. Gruenberg asked if the Town has ever been involved in any kind of impermissible arbitrage. The Comptroller said no. Atty. Gruenberg asked what is the sanction - what kind of penalty is imposed by the IRS if interest was generated and you failed to report it. Atty. DeGraff said essentially they tell the municipality that they have to settle up with them in some manner or they will declare the bonds taxable which is not good for a municipality. Atty. Gruenberg said he didn't think having a policy was a bad thing, but questioned the point of doing this since the Town has not had anything in the past that would be subject to any kind of sanction and it seems the sanction, itself, is a little bit fuzzy. Atty. DeGraff said the IRS does impose penalties. The Comptroller thought it was a prudent financial practice to have sound fiscal policies in place. C. Curtis asked if this was required and when was it instituted. Atty. DeGraff reiterated that it is not required unless you want to borrow through EFC. It has been around for some time, but within the last 15 years, the IRS has been asking more about it. The IRS has said they will look more favorably on municipalities that have a policy in place. C. Curtis asked the fee. Atty. DeGraff said it was a one-time charge that ranged from \$950.00 – \$2500.00 depending on the length of discussions with Town personnel reviewing the policy and whether any modifications are required. S. Dowds felt the real benefit was, if in the future, the Town was looking for funding through EFC, we would already have the policy in the place and could check the box.

**Human Resources Proposals** – Nanette Hatch, a senior consultant with Public Sector HR Consultants, addressed the Board regarding becoming the Human Resources Department for the Town – from advertising for a position to the separation of service. They deal with the 3 C's: Compliance – with state, federal and local employment related laws; Civil service – job descriptions, FLSA, exempt or non-exempt; work policies, etc. and Consistency – applying a rule or policy fairly and consistently to all employees and having one central repository for documentation on how the town has addressed an issue related to employment. They offered a total of 12 days of on-site consultation, but that is flexible. It can be scaled back or increased depending on the Town's needs. They are always available remotely (phone support). They provide employee training, supervisory training, etc., with the goal of making the Town as self-sufficient as possible. She stated that they are looking for an annual commitment as it takes time to build rapport with the employees and management. C. Bult asked how the services actually work in real time (i.e. – how is a question handled from a department head or employee). She said the Board would actually set the ground rules; however, typically there is usually a chain of command. Whether it is on-site or a phone call, they would give clear direction to the department head as long as that communication was authorized. Normally, they would call the Supervisor to get authorization to call back the department head. Generally, they do not take calls from an employee. If the employee, however, went to the Supervisor or Comptroller with an issue and asked if they could call them, as long as Public Sector got authorization, they would provide an answer to the employee. If they were hired they usually meet with the department heads to explain their services and how they are applied. Although they a 4-person firm, their goal is to respond within 24 hrs. Either she or Ronnie Travers would probably be the people for on-site visits. C. Curtis said the Town has had a go-to person that an employee, department head or management could speak to if they had a question. Based on what Ms. Hatch has said, it seems that management could call them but an

employee could not have direct contact. If an employee has a question they would still need to go to another level to get authorization to call. C. Bult questioned the practicality of having that kind of policy especially if an employee wanted to have a confidential conversation with HR. C. Curtis felt that their firm was a great resource for consultation, but the actual day-to-day operations seem lacking. He also questioned who would be available to take in job applications, etc. Ms. Hatch said they generally have a point person in the municipality that they interface with, such as the Comptroller. C. Curtis said that office is getting overworked so that didn't seem feasible. Ms. Hatch offered that they could provide assistance and support for whoever would be responsible. Ms. Hatch said the Town's problem is not uncommon – wanting to have a knowledgeable person on site, but perhaps not full-time. C. Bult felt that having an on-site person, even if part-time, might meet their expectations better. The Supervisor asked if they had any clients in Rensselaer County. Ms. Hatch said their clients that are similar to Schodack in size are Owego, Harrietstown and Catskill.

With respect to the proposal for doing the job descriptions, she said the question often comes up about getting assistance from the county. She said the county has job specs but they are very basic, (i.e. – a clerk). When it comes to looking at the Town's needs, the job function should be clearly articulated, as a "clerk" position in the Town could have responsibilities not defined in the county's generic clerk description. She felt that having a detailed job description is also vital if an employee wants to come back to work after being out on medical leave. With a detailed job description the medical provider can understand what is required of the position so it helps them in providing the necessary medical release. C. Bult asked if being too descriptive might impede the flexibility of allowing for a transitional work plan that would allow the employee to come back to work. Ms. Hatch said she hasn't encountered that occurrence.

**Employee Handbook** – C. Curtis said the Board hasn't seen a draft of the handbook since 2012 and asked its status. The Supervisor explained that the reason the handbook is not completed lies with the Town, not the consultant (Public Sector). The problem was trying to convene the Committee because of conflicting schedules, vacations, etc. The Comptroller noted that she reviewed the December 2013 draft and submitted several pages of questions. Ms. Hatch said when she perused through the questions, she felt it would be more effective to sit down with someone and go through the document. In some cases, there were issues from the Committee's draft that Public Sector didn't agree with, but it is the town's document so they will do what they are asked. The Comptroller said some of her questions were based on that same philosophy. Ms. Hatch said if the town decides to move forward with the HR contract, they could do it as one of the on-site visits. If not, certainly within the original contract, they will complete the handbook to meet the Board's expectations. It would be done remotely, without an additional fee; however, if they wanted an on-site discussion, there would be an additional charge. C. Curtis suggested that the Committee should be involved in the final review. C. Bult agreed. He said it was his understanding that they put a lot of time and effort into their review and it would essentially devalue their efforts to shut them out of the process now. The Supervisor said Public Sector had basically taken into consideration the Committee's recommendations and felt that it should now go to the Board, not back to the Committee. Ms. Hatch agreed with the Supervisor. She said they at the point of addressing the more detailed policy procedure issues that either might not have been addressed by the Committee or questions as to how they were addressed. C. Kenney asked if the Committee had been given a copy of the

Comptroller's questions. The Comptroller said not at this point. C. Kenney agreed with fellow board members. He felt it was important to recognize the Committee's contribution and have them support the document since they have to live by it. Ms. Hatch explained that while it is called an "Employee's Handbook", it is really the employer's guide to the employees regarding the policies, procedures, work rules and expectations of the Town Board. C. Curtis asked if the draft could be finished by the end of July and suggested that they could consider scheduling a workshop for late July for the review. Ms. Hatch said she can definitely have the book done by then. The Supervisor noted that it is a substantial document for the Board to review. C. Kenney suggested then that the differences between the Committee's draft and suggestions by the Comptroller be detailed so the Board can make decisions on the outstanding issues.

### **Review of Resolution Agenda**

The Board reviewed the resolution agenda. C. Bult asked that resolution [2014-169] be withdrawn until the next meeting. He had some questions regarding the personal construction that may have taken place on the town's easement that he would like to discuss with Mr. Holmes. The consensus of the Board was to withdraw the resolution.

### **Adoption of Resolution**

C. Bult made a motion to adopt the following resolution, seconded by C. Kenney:

#### **NOW, THEREFORE, BE IT RESOLVED THAT THE TOWN BOARD OF THE TOWN OF SCHODACK DOES HEREBY:**

**2014-168)** Amend resolution 2014-141 adopted on June 12, 2014 authorizing the following Town of Schodack Day Camp employees for the Summer Youth and Recreation Program as recommended by the Director of Youth and Recreation:

Add-Camp Nurses – Lauralyn Kulpa and Deborah Sweet and Camp Counselors: Matthew Crawford and Megan Bonesteel. Remove Counselors: Kara Shaw and Kaitlyn McInerney.

5 Ayes 0 Noes. **MOTION CARRIED.** Ayes – F. Curtis, J. Bult, M. Kenney, S. Swartz, D. Dowds. Noes – 0.

**2014-169)** **WITHDRAWN:** *"Authorize Supervisor Dowds to execute and administer proposal with Barton & Loguidice, related to Drainage Improvements on Orchard Road, as per fee proposal not to exceed \$8,845.00."*

### **ADJOURNMENT**

As there was no further business before the Board, S. Dowds made a motion to adjourn the 06/26/14 Town Board meeting at 8:34 p.m., seconded by C. Curtis. Meeting adjourned.

Respectfully Submitted,

\_\_\_\_\_  
Donna L. Conlin  
Schodack Town Clerk/RMC/CMC