Weekly Town Board Meeting March 2, 2016

The Town Board held their Weekly Meeting on the above date at 7:30 p.m. at the Town Hall, 238 Main Street, Cold Spring, New York.

PRESENT:

Richard Shea Nancy Montgomery John Van Tassel

Michael Leonard

Supervisor Councilwoman Councilman

Councilman

ABSENT:

Robert Flaherty

Councilman

1.Resolution approving purchase of an International Model 7400 truck with front plow and spreader in an amount not to exceed \$164,488.39, and the Evaluation of Financial Alternatives Conducted pursuant to 2 NYCRR §39.2 as attachment "A".

RESOLUTION #66-2016

The following Resolution was presented by Councilman Van Tassel, seconded by Councilman Leonard and unanimously carried;

WHEREAS, the Town of Philipstown wishes to purchase an International model 7400 truck with front plow and spreader ("the truck") for the Town Highway Department for \$164,488.39 off of the County bid contract issued by Onondaga County and awarded to Navistar, Inc.; and

WHEREAS, the town proposes to finance the purchase of the truck through an installment lease/purchase agreement with KS StateBank; and

WHEREAS, the Town Board has investigated the cost of borrowing the funds for purchase of the truck as an alternative to the proposed lease/purchase agreement and, further, the Town has completed an "Evaluation of Financing Alternative" ("EFA") Form, a copy of which is attached hereto; and

WHEREAS, THE Town Board has determined that borrowing funds for the purchase of the truck does not offer any advantages over the proposed lease-purchase agreement; and

WHEREAS, the Town Board finds that the proposed installment lease/purchase agreement with KS StateBank complies with the requirements of General Municipal Law §109-b;

NOW, THEREFORE, BE IT RESOLVED as follows:

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- That the Town Board hereby approves the proposed purchase of the tuck subject to the submission of a contract in a form acceptable to the Attorney for the Town; and
- 2. That the Town Board hereby determines and finds that execution and delivery of the proposed installment lease/purchase agreement with KS StateBank is in the best financial interests of the Town based on due consideration of the other available acquisition and financing alternatives as set forth in the EFA form and on other administrative and management considerations with respect to the acquisition of the truck; and
- 3. That the Town Board hereby authorizes the Town Supervisor to execute the said contract, lease-purchase agreement and such other and further documents as may be necessary to carry out the terms and conditions thereof.
- 2. Resolution approving the rental of a 8'X32' temporary modular to house the Highway Department Personnel.

RESOLUTION #67-2016

The following Resolution was presented by Councilwoman Montgomery, seconded by Councilman Leonard and unanimously carried;

RESOLVED, that the Town Board hereby approves the one month rental for 8' x 32' mobile office for the Highway Department for a total charge not to exceed \$1,792.00.

3.Resolution approving the rental of a 12'X50' modular to house the Highway Department personnel for up to one year.

RESOLUTION #68-2016

The following Resolution was presented by Councilman Van Tassel, seconded by Councilwoman Montgomery and unanimously carried;

RESOLVED, that the Town Board hereby approves a one year rental for office space for a 12' x 50' office space for the Highway Department for a total charge not to exceed \$10,106.26.

4. Resolution authorizing Town Clerk Merando to advertise for the two vacancies on the Board of Assessment Review.

RESOLUTION #69-2016

The following Resolution was presented by Councilman Leonard, seconded by Councilwoman Montgomery and unanimously carried;

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RESOLVED, that the Town Board hereby authorizes Town Clerk Merando to advertise for the two vacancies on the Board of Assessment Review.

5. Any other business that may come before the Town Board.

Carl Frisenda then discussed speed limit signs and the allocation of monies. He noted that previously signs were in the A fund, but have moved to the Highway Budget, at an approximate cost of \$2,000.00. He also noted that the town has a lot of speed limit signs that must be placed on the roads throughout the town. Councilwoman Montgomery interjected that it was her belief that the Town Board decided that rather going crazy with the signs, the town would talk to the Sheriff to increase patrols. Councilman Leonard stated that you have to have speed limit signs to enforce. Councilwoman Montgomery responded stating, no, you have to have a law to enforce, the signs don't enforce. She stated that the Town needs a town wide speed limit. It was then explained that there is a town wide speed limit, however, working with the DOT, certain roads have a lower speed limit approved by NYS. Councilwoman Montgomery stated that she would like to further discuss this matter. The Town Board requested that Mr. Frisenda provide a list of the roads and their assigned speed limit for their review.

The Town Board tentatively scheduled interviews for the Zoning and Planning Boards on Wednesday, March 9, 2016, they will confirm at the Monthly Town Board Meeting to be held March 3, 2016.

There being no further business to discuss, Councilwoman Montgomery made a motion, seconded by Councilman Leonard and unanimously carried to close the Weekly Town Board Meeting at 7:50 p.m.

Respectfully submitted by,

Tina M. Merando, Town Clerk

Evaluation of Financing Alternatives Conducted Pursuant To 2 NYCRR §39.2

The Town of Philipstown proposes to purchase an International model 7400 truck with front plow and spreader (hereinafter "the truck") and to finance the purchase through a five (5) year lease-purchase agreement with KS StateBank, 1680 Charles Place, Manhattan, KS 66502. Prior to approving the said lease-purchase agreement, the Town solicited financing alternatives and performed the evaluation listed below:

- (1) The estimated cost of the truck, exclusive of the financing cost, is \$164,488.39.
- (2) Theoretically, the truck purchase could be financed through borrowing under the Local Finance Law. However, no banks are willing to finance the purchase because the amount is below their minimum for municipal borrowing. The Town's investigation into borrowing alternatives consisted of contacting JPMorgan Chase Bank, M&T Bank, and Wells Fargo. All of these banks declined to provide any financing of the purchase and advised that it was their belief that no other lending institution would either.
- (3) By reason of the foregoing, financing the truck purchase through borrowing is not possible or, at a minimum would be greatly in excess of the purchase price.
- (3) The estimated total cost of the truck if financed over five years through borrowing at the best interest rate available from the above-listed banks is \$173,544.20.
- (4) The financing costs on the lease-purchase agreement are 2.59% for 5 years for a total financing cost of \$9,055.81;
- (5) The total cost of the truck under the lease-purchase agreement is \$173,544.20, as opposed to the cost of borrowing for it which, if possible, would be at least \$173,544.20, if not more due to the difficulty of borrowing and associated legal costs; and
- (6) The financing alternatives for the purchase of the truck are: (1) lease/installment purchase financing pursuant to GML §109-b; (2) borrowing pursuant to the Local Finance Law; (3) the creation and funding over time of a capital reserve fund or (4) appropriation of over \$173,544.20 for the purchase in the annual budget. Alternative number "3" would not meet time constraints on the purchase, and alternative number "4" is impractical due to time constraints on the purchase as well as the immediate increase in taxes in which it would result. While alternative number "2" theoretically could be undertaken if the Town complies with the requirements of the Local Finance Law, there simply are not lending sources available for this purchase and, in any event, the overall cost does not offer any advantage over alternative number "1" and, in fact, might prove less cost-effective. Therefore, it appears that it is in the best interests of the Town to finance the acquisition of the truck through the proposed lease/installment purchase agreement with KS StateBank.