

Waterbury Board of Trustees  
Special Meeting  
December 6, 2016  
10:00 a.m.

Present: P.H. Flanders, President; L. Sayah & N. Sherman, Trustees; W. Shepeluk, Municipal Manager; E. Coffey, A. Lewis, public.

President Flanders called the meeting to order at 10:04 a.m.

L. Sayah made a motion to approve the agenda. Seconded by N. Sherman and approved unanimously.

W. Shepeluk presented 4 loan renewals to the trustees for their consideration. L. Sayah made a motion to approve two notes for loans to the sewer department, one for a sum of \$27,400 and one in the sum of \$84,000; one water department note in the sum of \$89,400 and one village general fund note for a police cruiser in the sum of \$16,000. All four notes are for a term of one-year, all carry an interest rate of 1.35% and are issued to the People's United Bank. N. Sherman seconded the motion. It was approved 3-0.

W. Shepeluk explained to the trustees that the water-sewer commissioners decided to deal with a \$345,000 deficit in the sewer department, as reported in the 2015 audit report, through borrowing. Voters had approved \$755,000 of aggregate borrowing for the sewer system since 2013, but only \$140,000 of the authorized borrowing has been used. The remaining capacity for borrowing is \$615,000. The manager has recommended that the sewer department borrow \$350,000 from the water department. The water department presently has about \$880,000 in reserves in its brokerage account. All but \$100,000 of that amount is invested in mutual funds. As the stock market is at an all-time high, it is a good time to sell off the \$350,000 to rebalance the water department portfolio. Given that the water department is "giving up" the potential of a higher "total return" over time, through this divestiture, the manager is recommending that the trustees agree to the inter-departmental loan at an interest rate 2.5%. While the rate is about 115 basis points higher than the sewer department might have to pay a bank for the loan, it is worth it to the village as a whole as the interest costs in one village department will be a revenue in another department. In effect, the village will be paying itself and will be taking less risk in its overall investment portfolio. The trustees agreed it was a good plan. Natalie Sherman made a motion that was seconded by L. Sayah to authorize a \$350,000 loan from the water department to the sewer department at an interest rate of 2.5% for a term of five years. The motion passed unanimously.

P.H. Flanders reported that he had had a conversation with attorney Paul Giuliani concerning possible changes to the village charter that could result in the dissolution of the village or the dissolution of some governmental authority presently granted to the village through its charter. Giuliani has agreed to attend a trustees meeting scheduled for December 28<sup>th</sup> at 7:00 p.m. Flanders asked the trustees to formulate some questions that could be shared with Giuliani prior to the meeting. Everett Coffey asked if members of the public would be allowed to submit questions for Giuliani's consideration. Flanders responded by saying the public could send

questions to the trustees which the trustees then could consider sending to the attorney. Flanders suggested that he and the municipal manager would likely meet with Giuliani before the meeting date to review the issues to be discussed at the meeting.

Al Lewis appeared before the trustees and presented a plan for some improvements and repairs to be made at Rusty Parker Memorial Park (attached). A long discussion of the plan and use of the park ensued. N. Sherman left the meeting at 10:22.

The discussion continued. L. Sayah made a motion to approve the plan as submitted except approval for installation of security cameras and an upgrade to the playground is withheld pending further discussions. P.H. Flanders seconded the motion. It was approved 2-0.

P.H. Flanders reported that he had signed an affidavit which concerns the Hubacz case on the advice of Dan Richardson, attorney for the trustees. The attorney will file the affidavit with the court.

The meeting adjourned at 10:55 a.m.

Respectfully submitted,

William Shepeluk, Municipal Manager

Approved on: Dec 28, 2016

P. Howard Flanders  
P. Howard Flanders

Natalie Sherman  
Natalie Sherman

Lawrence Sayah  
Lawrence Sayah