

**RED HOOK TOWN BOARD MEETING**  
**December 12, 2009**

A meeting of the Town Board of the Town of Red Hook, Dutchess County, New York was convened in public session at the Town Hall, 7340 South Broadway, Red Hook at 8:00 a.m.

Present: Supervisor Sue Crane  
Councilman James Ross  
Councilwoman Micki Strawinski  
Councilman Harry Colgan  
Councilman Robert McKeon  
Town Clerk Sue McCann

Also Present Attorney for the Town Christine Chale  
Business Manager Deborah Marks

Supervisor Crane welcomed everyone to the meeting and opened with the Pledge of Allegiance.

**SUPERVISOR'S REPORT**

Supervisor Crane read the October and November Supervisor's Reports.

October report was read as follows: Opening balance - \$2,072,526.32; Receipts - \$507,241.49; Disbursed - \$801,630.92; Balance - \$1,778,136.89.

November report was read as follows: Opening balance - \$1,778,136.89; Receipts- \$445,422.46; Disbursed - \$676,043.63; Balance \$1,547,515.72

On a motion of Councilman Colgan, seconded by Councilwoman Strawinski moved to accept the Supervisor's October and November Reports as read.

Adopted      Ayes    5      Crane, Ross, Strawinski, Colgan, McKeon  
                 Nays    0

Supervisor Crane asked Business Manager Deb Marks to lead the Board through budget adjustments.

Deb Marks referred to the budget adjustment prior to closing October 2009. In the General A Fund: reduce the revenues - \$1,046.00; increase the revenues - \$3,450.00; reduce the appropriations - \$1,594.00; increase the appropriations - \$6,451.00; offset to the fund balance, appropriate the fund balance - \$2,453.00. In the General B Fund: increase the revenues - \$8,003.00; increase the appropriations - \$18,704.00; appropriate the fund balance - \$10,701.00; In the Highway DB Fund: increase the revenues - \$142.00; reduce the appropriations - \$12,990.00; increase the appropriations - \$12,990.00; In the SW Fund: increase the appropriations - \$60.00; In the Community Development (CDBG Sidewalks 2009): increase revenues - \$130,000.00; Capital Projects for Highway Equipment: increase revenues \$58,980.00; increase the appropriations in CDBG - \$130,000.00. The revenue offsets the expenditure for this budget. In the Capital Projects for PDR: increase the appropriation \$55.00 for Wil-Hi Farm, \$58,980.00 for the tractor (the offsetting expenditure money). Offset to the appropriated fund balance - \$55.00. Those were the budget adjustments for October. For the budget adjustments prior to closing November 2009: In the General B Fund: increase the revenues (Aerodrome Police protection) - \$664.00; increase the appropriation (Aerodrome Police protection) - \$947.00; appropriate the fund balance - \$283.00. In the Capital Projects - increase revenues \$62,155.00; increase appropriations (Wil-Hi Farm) - \$62,000.00; offset to the fund is to reduce the appropriated fund balance - \$155.00.

On a motion of Councilman Ross, seconded by Councilman Colgan moved to accept the budget adjustment report.

Adopted      Ayes    5      Crane, Ross, Strawinski, Colgan, McKeon  
                 Nays    0

Copy Attached

Deb Marks explained there is a request from the Recreation Commission Chair Doug Strawinski, asking that the Board pass a resolution authorizing a transfer of funds from the Parklands Account to the general fund to pay for engineering work at the Recreation Park Extension by Weston & Sampson, the engineering firm awarded the contract not to exceed \$20,500. Deb

asked the Board to authorize the transfer of up to the \$20,500. She would not actually move the money out until those expenses come along because it may end up being \$19,800 so she wouldn't need to transfer all of that money out.

#### **RESOLUTION 2009 #55**

RE: AUTHORIZING A TRANSFER OF FUNDS FROM THE PARKLANDS ACCOUNT TO THE GENERAL FUND TO PAY FOR ENGINEERING WORK AT THE RECREATION PARK EXTENSION BY WESTON & SAMPSON, THE ENGINEERING FIRM AWARDED THE CONTRACT, NOT TO EXCEED \$20,500

On a motion of Councilman James Ross, seconded by Councilman Harry Colgan moved to approve the resolution.

Adopted	Ayes	5	Crane, Ross, Strawinski, Colgan, McKeon
	Nays	0	

Deb Marks requested the Board approve a resolution for the annual transfer of funds from the Water Works Operating Account to their special reserves. They have two special reserves, the reconstruction reserve and the transmission reserve. They asked to transfer \$20,000 to the reconstruction reserve and \$20,000 to the transmission reserve.

#### **RESOLUTION 2009 #56**

RE: AUTHORIZING A TRANSFER OF FUNDS FROM THE WATER WORKS OPERATING ACCOUNT TO THEIR SPECIAL RESERVES. \$20,000 TO THE RECONSTRUCTION RESERVE AND \$20,000 TO THE TRANSMISSION RESERVE

On a motion of Supervisor Sue Crane, seconded by Councilwoman Micki Strawinski moved to approve the resolution.

Adopted	Ayes	5	Crane, Ross, Strawinski, Colgan, McKeon
	Nays	0	

#### **PUBLIC COMMENT PERIOD**

Supervisor Crane opened for public comments.

There were no public comments.

#### **ANNOUNCEMENTS**

Supervisor Crane announced that a swearing in ceremony will take place at Town Hall on January 1<sup>st</sup>, 2010 at 10:00 a.m. Anyone who is interested is welcome to attend.

Councilman Colgan announced that Tivoli is having their Winter Festival today from 3:00 to 5:00 p.m. All are welcome.

Councilwoman Strawinski announced that the Northern Dutchess Community That Cares organization is still holding their food drive from 10:00 a.m. to 3:00 p.m.

#### **MORTGAGE TAX**

Business Manager Deb Marks brought the Board's attention to the back of the November Supervisor's Report. A check was received in the amount of \$111,090.26 for the mortgage tax.

Supervisor Crane asked that at least three Board members sign the end of the year vouchers before they leave.

#### **MOTION TO AUTHORIZE THE SUPERVISOR TO APPROVE THE PROVISIONAL APPOINTMENT (LATERAL TRANSFER) OF THE POSITION OF CODE ENFORCEMENT OFFICER TO THE POSITION OF DEPUTY BUILDING INSPECTOR, SUBJECT TO APPROVAL BY THE DUTCHESS COUNTY PERSONNEL DEPARTMENT**

Supervisor Crane read the motion to authorize the Supervisor to approve the provisional appointment.

On a motion of Supervisor Crane, seconded by Councilman Ross moved to authorize the Supervisor to approve the provisional appointment (lateral transfer) of the position of Code Enforcement Officer to the position of Deputy Building Inspector, subject to approval by the Dutchess County Personnel Department.

Adopted        Ayes    5        Crane, Ross, Strawinski, Colgan, McKeon  
                     Nays    0

### **CLIMATE ACTION IN TOWN OF RED HOOK – LINDSAY CHAPMAN**

Supervisor Crane introduced Lindsay Chapman who is an intern from Bard College working with the CAC for the last seven months. She has been working diligently to make a grant deadline. Supervisor Crane thanked her for the work she's done.

Denis Collet, on behalf of the CAC, referred to a memo regarding the details for the grant they are looking for approval of. It describes the program highlights and its three components. They are weatherization, a photovoltaic component for renewable energy and a solar thermal component. He explained that they are applying for a grant through the Department of Energy for roughly \$1.279 million. He pointed out the details on the second page of his memo and addressed concerns regarding the administration of the program and referred to a flow chart he created.

Councilman Colgan asked, regarding Project Approval, which entity in the Town that would be.

Denis responded it would be an oversight committee that would be executed in coordination with Zoning. An administrator for the proposal would be included in the grant funding.

Councilman Colgan asked if that would be through a separate committee of the CAC.

Denis Colet said they have not yet worked out how it would be administered but any position that would require funding would be supported by the program itself.

Councilman Colgan asked if, in regard to building, they would be issued a building permit through our Building Department.

Denis Colet responded that's correct, it would go through the normal functions.

Supervisor Crane asked Attorney Chale if the final approval in any phase of this would come through the Town Board.

Attorney Chale assumes that it would set up a set of program regulations the Board would approval then there would not be discretionary approvals after that. She assumes that if this is a residential individual program, that typically you would adopt regulations.

Denis commented that the expectation is that someone would be assigned or approved to act on behalf of the Town.

Attorney Chale told him that is not what she is saying. She is saying regulations.

Councilman McKeon told him that he would need program guidelines. There would be certain criteria that would need to be followed in order to gain approval.

Supervisor Crane said there is an initial phase before project approval that assumes the Town Board established some kind of policy or procedures. We have to have an understanding what role the Town Board plays in this because we are fiscally responsible for what goes on from here. He is asking for her signature today and she is being cautious to try to understand her role four years or ten years from now to know what it is we must do to allow this to flow logically, legally, and with the least amount of impact on Town Hall. It seems that if we are talking about establishing some sort of energy commission the Town Hall will have a very real part in that early on and she wants and understanding that we have regulatory responsibility in some fashion. We need to know that and agree that is a fact.

Denis thinks those concerns are appropriate. There are a number of regulations in effect to safeguard the approval of the financial commitment. The contractors have to follow certain guidelines. From the standpoint of the Town, whatever financing agency supports the bond will have regulations that will ensure that we are protected.

Supervisor Crane explained that in terms of what he is describing she envisions having considerable legal fees to establish the entity. She asked if those legal fees are incorporated in this grant so that we know the Town is not going to be “out of pocket” for a substantial amount of money.

Denis responded yes, as part of hammering out those details, but there are details not yet worked out. In order to prepare for getting the grant in on time, they plan on saying this is the funding and that everything including the legal fees has to fit the model.

Councilman McKeon said there will have to be a comprehensive program guideline that the Town Board will have to review, consider and adopt before enacting this type of initiative. What they are considering today is a grant application for the program. If we are fortunate to get the grant, there are several months in which we can finalize the details. Jeff Irish from Hudson Valley Clean Energy has specific guidelines to follow and we would need to follow NYSERDA’s guidelines as well.

Supervisor Crane is trying to plod through this and envision the impact on the administration of the Town. Will the Business Manager be managing the funds that come in? She is trying to get a sense of what we are looking at.

Denis said once guidelines are established they will have a formula saying that the contractor has met the obligations to the homeowner. They expect to see a C of O, see proof that work has been complete and NYSERDA has approved and made payments of their obligation. What we are doing is saying to the Assessor, here is a new line item. It is setting up record keeping in the data base and whatever the normal procedure is on billing.

Supervisor Crane asked for Deb Marks opinion.

Deb brought up the threshold and limits of funds. The Town is required to have a complete audit. It would cost between \$10,000 and \$15,000 annually for the Town to have one. That is an added expense right there. Her office would have to track the record. This is a great program, but we have limited resources in personnel. She asked they keep that in mind.

Councilman McKeon said in the grant application there is funding to support both a half time position in the Building & Zoning Department and full time position to administer the Town aspect of the program. He explained the district formation this grant would create and the functions that would be added to the offices. It is a special improvement district formation. There is money in the grant to cover everything. The grant is for a three year period and the program has to demonstrate how it can go on past these grant appropriations.

Deb Marks asked if it would then be financed through the Town in the future.

Councilman McKeon responded it would be financed just like the water district. It is financed by the users, those who participate within the district. It has to be self sustaining. In the grant application they have to demonstrate how it can go on without impacting the taxpayers.

Supervisor Crane said it sounds very much like the work that has been going on to establish the sewer district in the Village of Red Hook and part of the Town of Red Hook. That has taken much longer than expected. She asked if there is a time limit regarding establishing regulations and so on. Is there a timeline to perform things before funds are withdrawn?

Denis explained there is wording that says the funds that are provided have to be committed within 18 months. Right now in the administration section we identified one full time position as energy administrator, and one part time position that could be filled through existing Building and Zoning. We are looking at potentially 420 applicants in a three year period. It will generate a revenue stream to the Town for performing work that today is not being performed.

Councilman Colgan asked about the money they are talking about. What is the potential funding available to homeowners under this program.

Denis referred to the memo. They earmarked money as a cap to be borrowed for a weatherization program. It goes through a rigorous audit of the home to see the potential in savings and how they would apply it. It is based on a recommendation by an institute certified member.

Councilman Colgan asked if we want to measure economic impact to the Town, what it would be. He is trying to find out what economic impact it will have on the community.

Councilman McKeon answered that nearly \$7 million worth of work will be conducted in the Town through this program. The job creation was detailed.

Supervisor Crane reminded how committed and stretched our Business Manager is now. She wants everyone to listen carefully to what she is saying about that office not being able to handle any more work. She stressed that in that grant they have to have a component that manages the financial burden of the program. If it does not we cannot do it.

Denis said as they work out the details they will establish a specific part time administrator to support the financial accounting and administering of the program.

Councilman McKeon said they might need Debs help for a onetime thing but administering would not go through her office.

Supervisor Crane noticed that in the last line of the chart it appears to be Jeff Irish's responsibility to track the ongoing three years. She asked him how he envisions his role in this.

Jeff Irish of Hudson Valley Clean Energy explained how the chart related to what he would be responsible for. Tracking energy production is what they would do. His company has been working with this group for the last two weeks to put together product design, the numbers, the program compliance aspects of the photovoltaic system and solar hot water systems involved here. NYSERDA reported that as of September 30<sup>th</sup> there were 95 solar electric systems in Dutchess County. What Red Hook is talking about here is deploying 140 within a 2 ½ year period, which is an extremely bold leadership move. In order to help make it attractive, the group decided to come up with a standard design which allows them to standardize the components and drive down the costs. From a quality point of view they will be complying with the Town's building code requirements, as well as those of the State, NYSERDA, and Central Hudson's.

Councilman Colgan asked if all the revenues will come from the bonded side, not the administrative side. We are in the process of essentially creating a business in the Town.

Councilman McKeon responded that we are creating an improvement district. It's no different than having water or a sewer district. It's of equal value.

Councilman Colgan said it is also a green business with an ongoing green future.

Denis said the first thing this community is doing is setting an example for other communities. The ongoing benefit to our community is using this as a draw for other communities to use as a template. Every community around our size is going to be looking at our success rate.

Supervisor Crane thinks there is going to be impact on the Town government in the Business Manager's Office, the Assessor's office, the Building Department, and the Purchasing Office. She is anticipating needing to reimburse for if only clerical support for this program. She needs to know what the program will anticipate from this administration before she can wrap her arms around it. Maybe we should work out the details if we get the grant. She is concerned about the strain on every department in this building. She asked if Councilman Ross had any questions.

Councilman Ross has a lot of questions, but most of them can wait until after we receive the grant. This is an improvement district but it's not like the water or sewer district because there is a definite end to this. If someone does this they are going to borrow the money for ten or twenty

years. After that their debt obligation is gone we don't continue to charge them for being in that improvement district do we?

Denis said that's correct. What is clear is the next 36 months. There is a life of its own once that financial commitment is made. It is really still a line item that is maintained for the loan payoff. There is no active component from the standpoint of the Town.

Councilman McKeon said this is not just for people who join in the first three years, this is an ongoing program.

Councilman Ross understands that. He asked what there is for the homeowner. Is the grant for us to fund a low interest loan?

Denis responded exactly. They would use a portion of the grant to buy down the interest rate so it is favorable to the residents.

Councilman Ross wants to see the real advantage. If you go to NYSERDA now you are going to get the tax breaks. How are we going to encourage more people to participate with this program as opposed to what they can do without it?

Councilman McKeon responded it is the upfront costs.

Councilman Ross asked how much upfront cost it is going to save them.

Denis explained the actual out of pocket cost after the NYSERDA rebate is about \$21,000.

Councilman Ross said a homeowner can do that without this program through NYSERDA.

Denis responded no, they can't. They would still have to find their own funding and we can draw down the cost per watt because we are proposing to standardize the model. If someone went out today it would be about \$36,000.

Councilman Ross said then a homeowner could realize approximately a \$7,000 savings because of the program and a reduced interest rate on the loan.

Denis said they also don't forfeit their tax credit which is about 30% federal and 25% NY State. It is an advantageous position for us to be in.

Supervisor Crane said we have someone who used to be the person we looked to for financial advice. She suggested he be called in to understand what and how to do it. No one has been named in the application that we are tied to for financial advice or an audit.

Denis said no, they have no one.

Councilman McKeon had a resolution for consideration relevant to the grant.

Councilman Ross thinks it is time they move forward and if the Town gets the grant there are more questions that can be answered at that point.

Denis brought attention to participants who got this together. Lindsay Chapman is essentially authoring the final application. He named the people who were involved and thanked the Board for their consideration.

Supervisor Crane asked if they had letters of support from the community.

Lindsay Chapman named the people she received letters of support from.

Councilman McKeon read the resolution in support of the grant application.

Supervisor Crane asked Attorney Chale to weigh in on the issue.

Attorney Chale thinks that many issues will wait until we see how the grant goes. Keep in mind that there will be procurement issues to address and the Comptroller's Office has not had applications and will have to understand the program and work with it. The financing structure will be a question. The resolution itself is good.

**RESOLUTION 2009 #57**

RE: IN SUPPORT OF APPLICATION FOR AMERICAN REINVESTMENT AND RECOVERY ACT (ARRA) FUNDING: ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT (EECBG) PROGRAM, FOA 148, COMPETITIVE SOLICITATION: TOPIC 2 – GENERAL INNOVATION FUND

On a motion of Councilman Robert McKeon, seconded by Councilwoman Micki Strawinski moved to accept the resolution as read.

Adopted	Ayes	5	Crane, Ross, Strawinski, Colgan, McKeon
	Nays	0	

Copy Attached

Councilman McKeon said this is the first opportunity we have for this type of grant funding. NYSERDA announced that they have a \$24 million pool of which they will be awarding grants. If we don't receive the Department of Energy grant we can apply to NYSERDA.

Supervisor Crane thanked everyone for their work on the grant, especially to Bard College Intern Lindsay Chapman. She would like to add letters of support to the grant application.

Supervisor Crane and the Board agreed to cancel the meeting that is scheduled for December 23<sup>rd</sup> because they conducted the business that needed to be done.

Councilwoman Strawinski asked about the holiday schedule.

Supervisor Crane said the Town Hall closes at noon on December 23<sup>rd</sup>. We will also be closed on December 24<sup>th</sup> and December 31<sup>st</sup> as well. On January 1, 2010 the swearing in ceremony will take place at Town Hall at 10:00 a.m.

On a motion of Councilman Colgan, seconded by Councilman McKeon moved to close at noon on December 23<sup>rd</sup> and close Town Hall on December 24<sup>th</sup> and December 31<sup>st</sup>.

Adopted	Ayes	5	Crane, Ross, Strawinski, Colgan, McKeon
	Nays	0	

On a motion of Supervisor Crane, seconded by Councilwoman Strawinski, moved to adjourn the meeting 9:30 a.m.

Adopted	Ayes	5	Crane, Ross, Strawinski, Colgan, McKeon
	Nays	0	

Respectfully submitted,

Sue McCann, Town Clerk