

The minutes of the regular meeting of the Board of Trustees of the Green Island Power Authority held on Monday, August 16, 2010 at 6:00 p.m. at the Green Island Municipal Center, 19 George Street, Green Island, New York.

Chairman John J. Brown called the meeting to order.

Chairman Brown, Vice Chairman Cocca, Trustees Reinoehl, Greaves, McNulty-Ryan and Attorney Legnard.

Also, in attendance: Kristin M. Swinton, CEO and David Paterniani, CFO.

All present.

Chairman Brown opened Public Forum No. 1 for any comments.

No comments.

Chairman Brown closed Public Forum No. 1.

On a motion by Trustee Greaves seconded Vice Chairman Cocca and carried, to approve the minutes of the regular meeting held on July 19, 2010. All ayes.

No communications.

Chairman Brown stated that the next item is consideration of adopting Part A of the 2010 Retirement Incentive Program. He is not sure if any of the trustees have been reading the retirement incentives that the State has put together for State employees. They have provided the options for School Districts and other municipal entities to opt into the incentives for municipal employees and there are two parts of the retirement incentive. The one that we have before us today is considering adopting Part A of the Retirement Incentive Program and what Part A is that if someone wishes to take advantage of an early retirement, then Part A provides them one (1) year for every month of service up to a maximum of three (3) years. In order for anyone to participate, we have to adopt this resolution and identify any position that we wish to allow to participate in the early retirement. We did have one employee come and make that request and it is our Supt. Rick Palumbo, but first we have to adopt the Part A resolution and forward that to the State. Then, there is a thirty (30) day window for him to retire.

Kristin stated that it will be open for him to retire between December 2nd to December 31st.

Chairman Brown asked if anyone had any questions.

Vice Chairman Cocca stated that some point in some of the articles that he read in the newspaper, it seems to him that there was consideration being given to only doing this for employees where the position would be eliminated?

Kristin stated that is a State requirement. The State requires that the position is eliminated but for municipalities you have to show a 50% savings over two (2) years.

Further discussion ensued.

No further questions.

On a motion by Trustee McNulty-Ryan seconded by Trustee Reinoehl and carried, to adopt a resolution to provide the benefits of Part A of the 2010 Retirement Incentive Program. All ayes.

Chairman Brown stated that the next item is consideration of a Letter of Resignation from Supt. Richard Palumbo and asked for the letter to be read into the minutes.

August 4, 2010

Green Island Power Authority Board of Trustees
69 Hudson Avenue
Green Island, New York 12183

Dear Trustees:

I am writing this letter to respectfully request that the Board pass a resolution at the August 16th meeting electing to provide Part A of the early retirement incentive and listing my name as a person who is eligible for the incentive. If part A is offered, I will be vacating my position as Superintendent of the Green Island Power Authority effective December 31, 2010.

Thank you for your consideration of this matter. If you need any additional information please do not hesitate to contact me.

Sincerely,
Richard Palumbo
Superintendent

Chairman Brown asked for a motion to accept the resignation as presented.

On a motion by Trustee Greaves seconded by Trustee Reinoehl and carried, to accept the letter of resignation from Superintendent Richard Palumbo effective December 31, 2010. All ayes.

On a motion by Trustee Reinoehl seconded by Vice Chairman Cocca and carried, to approve the claims as submitted in the amount of \$205,220.94, along with the monthly Addendum amount of \$169,856.03. All ayes.

On a motion by Trustee McNulty-Ryan seconded by Trustee Vice Chairman Cocca and carried, to approve the Chief Financial Officer's report as submitted. All ayes.

On a motion by Vice Chairman Cocca seconded by Trustee Reinoehl and carried, to accept the adjustments to the July 2010 electric billing as presented. All ayes.

Chairman Brown stated that Item #11 is Consideration of awarding bid for Overcenter Material Handling Aerial Lift Device Vehicle. Chairman Brown stated that our current bucket truck, which only has 7,000 miles on it, has an equipment problem with the lift and we have attempted to fix over it the last twelve (12) months. One of the repair bills was \$8,000.00 and when the gentleman was done he had no guarantee that it was going to solve the problem and in fact it has not. What happens is the bucket bounces, which creates a very unsafe situation and we can't

continue in that manner and it does not make any more sense spending money to further rectify the problem. The equipment on the truck is used a lot and it is approx. 10 years old, which is the life expectancy, so we have put together a bid package and advertised and everyone should have a copy of the bid numbers. North American Equipment Service is the apparent lowest responsive bidder.

Chairman Brown asked if anyone had any questions?

Chairman Brown noted that we are getting an allowance of \$16,000.00 for the current vehicle as a trade-in on the purchase price of the vehicle, which is \$174,899.00.

Chairman Brown stated that he has reviewed this with Dave to compare State vehicle prices and that is a fair price for the vehicle. They looked at the International under State contract and it was still \$24,000.00 over the bid price of the freightliner that is customized to what our people feel we need on the vehicle with an upgraded engine. Chairman Brown wanted to note that we have two (2) options, which we are still investigating which one will serve us best from an economic standpoint but for this evening he would like to ask that we award the bid to North American Equipment Service and then, the financing we will continue to investigate which is the most attractive mechanism to finance the vehicle.

Vice Chairman Cocca stated then we are not considering leasing the vehicle?

Chairman Brown stated that we are considering leasing and possibly an equipment loan, the problem with that is that we are just looking at the economics and Atty. Legnard has had conversation with our Bond Atty. Joe Scott because being an Authority, the Comptroller's Office requires us to go for approval before the Authority in order to access money from a bank. In order to do that, there are some costs associated with filings with the State Comptroller's office that have to be prepared by Atty. Joe Scott. So, we want to look at is what is the cost that we would incur going to a bank in comparison to the lease. The interest rate on the lease is much higher than the interest rate that we would get with for example Pioneer Savings Bank.

Chairman Brown noted that Dave has already received a quote from Pioneer Savings Bank for 2-½ % to 3% for a borrowing and the financing company that North American Equipment Service is going to utilize if we go through a lease is 10%. So, we have to look at how much it will cost us to access the bank money and if it is less that is the way we will go and we want to have it callable, preferably. The reality is that when we did our budget this year, we didn't realize we were going to have to replace that truck, so it is not in this year's budget. However, we are not going to physically have the truck until late winter or early spring. Even if we went to the lease, we could only make one payment in this budget year. We will come back to the Board before we proceed with any one of the options and we will decide at that point which way we want to go.

On a motion by Vice Chairman Cocca seconded by Trustee Reinoehl and carried, to award the bid for One (1) New Over Center Material Handling Aerial Lift Device Vehicle to the lowest responsive bidder, North American Equipment Service, 6708 Townline Road, Syracuse, NY 13211 in the amount of \$174,899.00 minus \$16,000.00 for trade-in of current vehicle. This bid is awarded contingent upon financing being resolved. All ayes.

Chairman Brown opened Public Forum No. 2 for any comments.

Ms. Greer Fitting of 117 George Street stated that she is new in the area and she is a retired secretary and where she used to work they ran into a problem with how long are the maintenance contracts does it go with the lease as well as with the scheduled maintenance and extra calls and all that. So, if there is a difference between your purchase and your lease for required maintenance and not being charged for it vs. being charged for it that is an extra cost that you have to kind of look at and on renewal is there an escalator clause?

Chairman Brown stated that on the maintenance agreement he believes that they have met with the company representative and it is a one-year warranty on the equipment that is on the truck and he believes it is a five-year warranty on the truck and just like if you go buy a car, so many years ...

Ms. Fitting asked if there was an option to renew with an escalator clause?

Chairman Brown stated that he believes there is an option to carry it on, he believes that they did tell us that there is an extension, but we don't have to decide that until we actually accept the truck, that would be an additional cost.

No further comments.

Chairman Brown closed Public Forum No. 2.

On a motion by Trustee McNulty-Ryan seconded by Trustee Reinoehl and carried, to adjourn the meeting at 6:14 p.m. All ayes.