

Regular Town Board Meeting  
Tuesday, December 8, 2009

Minutes of the Regular Board meeting held on the above date beginning at 7:00 pm in the meeting room of the North Elba Town Hall, 2693 Main Street, Lake Placid, New York.

Members Present: Supervisor Politi, Councilman Favro, Councilman Miller, Councilman Damp, Councilman Rand, and Laurie Curtis Dudley

Others Present: Chris Knight, Ron Briggs, Larry Straight, Jessica Jocko, Derek Doty, Students from the Saranac Lake Vision Program; Margaret Tracy, Elise Mellor, Rhonwen Jones, Vincenzo Magro, Kelly Keough, Jennifer Peryea, Maggie Cotter and Maya Correll.

Supervisor Politi opened the Regular Town Board meeting at 7:00 pm by asking everyone to stand for the Pledge of Allegiance.

Supervisor Politi asked for a motion on the minutes of the Board meeting on November 10, 2009

Councilman Rand moved and Councilman Miller seconded the motion to approve the minutes as written and presented. There being no further discussion, the motion was unanimously carried with Councilman Damp abstaining because he was not present at the November meeting.

Supervisor Politi asked for a motion to approve the Agenda.

Councilman Damp moved and Councilman Favro seconded the motion to approve the agenda as written and presented. There being no further discussion, the motion was unanimously carried.

**STUDENTS FROM THE SARANAC LAKE VISION PROGRAM OBSERVED THE MEETING**

Nine students from the S.L. Vision Program attended the meeting to observe local government for a class project. Supervisor Politi introduced the Board to the Students and explained that the four Councilman and Supervisor are the leaders of the Town. Derek Doty was introduced as being elected as the new Councilman replacing Councilman Damp who has decided that he is "tired". Ron Briggs was introduced as the Town Attorney, as well as Laurie Curtis Dudley as Town Clerk, Larry Straight as highway Superintendent, and Chris Knight as the most recognizable person when he opens his mouth! He also introduced Jessica Jock as our new deputy and his new Assistant.

**THE BRIDGE ON ADIRONDACK LOJ ROAD**

Supervisor Politi stated I spoke with Fred Buck and Tony Lavine yesterday. The survey work for the delineation of wetlands is completed. The APA permit, which Superintendent Straight has, will be delivered to the County. The County will prepare the paperwork for the APA permit and the DEC permit. Supervisor Politi stated I will help that process if necessary.

Supervisor Politi stated it is on track and looks good. It is likely the construction process will begin in the spring.

**CONSULTANT AGREEMENT-AIRPORT RUNWAY REHAB**

Supervisor Politi stated we have a consultant agreement for the Airport Runway that needs to be signed, and I need your approval to do so. The consultant agreement is for the Runway Rehabilitation work for Phase II and is primarily for the engineering work. The project will include partial milling and complete overlay of the existing 4200 ft. X 60 ft. of general aviation asphalt concrete runway including the three connecting taxi way intersections and runway marking replacements. The construction for this project is approximately \$700,000. The estimate received and approved for the basic consulting and engineering fee is \$60,000. The Town's contribution to that \$60,000 is 2 ½%. The \$700,000 is grant money that we are receiving from both Federal Government and the New York State Department of Transportation of which the Town's contribution is 2 ½%.

Derek Doty asked if there are still trees to be cut, and supervisor Politi stated they are all ready to go.

Councilman Rand asked if the Town can keep the millings which he referred to as "black gold". He stated when they did the highway by Whiteface the millings were used at the mountain.

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Supervisor Politi looked into the contract stating it would not be in this contract because the information in the packet is about the engineering solely. It does not deal with the actual contract. Because this needs to go out to bid, we won't know about the millings until then.

Superintendent Straight stated those millings would belong to the Town.

Supervisor Politi stated I need a motion to approve me signing the consultant agreements

Councilman Rand moved and Councilman Favro seconded the motion to approve the Lump Sum Consultant Agreement with C & S Engineering contract for the design of the Runway 14-32 Rehabilitation Phase II project at the Lake Placid Airport.

**TAX ASSESSMENT RESOLUTION – CANADA, INC**

Cathy Drobny received a letter from Attorney Briggs regarding Canada, Inc vs. the Town of North Elba on the issue of a tax assessment resolution settlement for vacant land located on the Whiteface Inn Road. The parcel is approx. 200 acres and not accessible by vehicle. The original assessment was for \$222,000. This agreement called for a reduction of the 2008 Assessment Roll to \$100,000.

Supervisor Politi stated I am told the property was sold for \$100,000. I do not know when it was sold. This calls for a refund to be paid by the Town and the School. I am not aware of it Ron said he was not aware of it, Cathy Drobny was not aware of it and Kimball Daby was not aware of it. I am curious as to how it got to this position. I know that it is a Robert Beebe transaction.

Attorney Briggs stated if the petition is pending, who has a copy of the petition. That is a stipulation of settlement. Someone received a petition. I do not have a petition. He stated for there to have been a settlement, there has to have been a petition out there.

Supervisor Politi stated Cathy Drobny does not know anything about it. She said she received it from you in late August.

Derek Doty stated was there a land transfer to prove that it was sold.

Supervisor Politi stated there was a land transfer and it was sold. This is a 2008 Assessment reduction which is a value as of July 1, 2007. This sale happened after that in 2009. He stated I typically consider these evaluation reductions provided that there is no refund, and that we adjust going forward. The tip-off to me was that this agreement said we were to pay a refund up to 2008.

Supervisor Politi stated I don't know anything about it and I doubt the school does either. At this point rather than proceeding with a resolution to approve a signature on that settlement, I would rather it go back to you, Ron. Do you have the file, and will you follow-up on it?

Attorney Briggs stated yes I have the file and I will follow-up on it.

Supervisor Politi stated unless there is an objection I would like to move forward.

**RESOLUTION TO APPROVE –TAX CASE SETTLEMENT-WHITEFACE LODGE**

David Murphy from Hacker & Murphy was present to discuss the proposed settlement on the Whiteface Lodge. The settlement involves numerous years and a substantial amount of tax assessment reduction and monetary refunds. David Murphy is the Town's Legal Council for all tax cases.

Supervisor Politi stated you had asked about going into executive session and I don't believe that is necessary. The School Board is involved and Chris Knight is here. We have nothing to hide from anyone on this case.

Mr. Murphy stated as most of you know, both Ron and Roby have been involved with me and some outside consulting appraisers for quite some time. Judge Robert Muller had five years of litigation on the Whiteface Lodge scheduled for trial this past November 30<sup>th</sup>. We had expert appraisals done for both the Town and for the owners of the lodge. These cases are nonjury

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cases. They look at expert opinions to determine the fairness or unfairness of the assessment. We had extensive negotiations on this case. The expert appraisals ranged from \$12 million to \$19 million and the Town's expert appraised values ranged from \$42 million to \$46 Million and the Lodge's experts from \$19 million to \$32 Million. The assessments for the five years under review range from \$74 - \$112 Million. Both appraisers were telling us that these assessments were excessive by a significant amount. Knowing that, we started negotiations with an attorney from Syracuse named Kevin Roule. He is a very competent property tax attorney who represented the interests of the various owners of record of the Lodge for the years that were of issue. The litigation began in 2005 and continued up to and including 2009. As a result of our negotiations, the ownership interest agreed to drop two of the years of suit; 2005 and 2006 cases were discontinued with no adjustment to assessment and no tax payback. We then focused on 2007, 2008 and 2009 and began a negotiation that had two basic elements; paying back some taxes that had been unfairly billed to the owners and coming up with a stabilized value for the whole Whiteface Lodge property going forward. Real Property Tax Law Section 727 states that if a judge changes an assessment in any given year, the assessment should stay the same unless there is a town wide reevaluation or the property has a fire or a substantial physical improvement. After negotiations, we came to the numbers that are in the resolution which provide that the Town would pay back to the owners \$245,000, the County would pay back the same amount, and the Lake Placid School District would pay back \$860,000. If you overpay a tax and the court so finds, you are entitled to get back not only the extra tax you paid but also interest on the money. We negotiated a waiver of interest from the owners which totaled almost \$400,000. We saved the School District over a ¼ of a million dollars in interest and we saved the Town and County each over \$100,000 in potential interest.

Mr. Murphy stated we negotiated an aggregate value looking at these appraisals of \$40 million dollars on the property as a whole which will have to be allocated over several tax parcels. 2009's Assessment will be changed to that number which will result in lower tax bills for the property starting in January 2010 and going forward. If you look at the two sets of appraisals, the \$40 Million agreed number is about 75%-80% closer to our appraisal than to the petitioner's appraisal. We felt that was a fair accommodation. Because this property has changed hands and is in a bit of transition period, we reserved our right to go back and revisit the assessment should the property sell for more than the \$40 million dollar agreed figure. We felt that was a prudent thing to do because we do not know what is going to happen to the property.

Mr. Murphy stated the three year agreement stated we will assess you at the \$40 Million dollar number and you in turn will refrain from suing us. If they sold the property to a third party who was not a party to our negotiations, that party could come in and pay significantly in excess of \$40 million dollars. If they do, we want the right to look at that sale and determine whether we make an upward revision of the assessment. If it sells for less, then our agreement is somewhat at risk. A third party who is not at the table cannot be held to an agreement that the prior owner made. They did indicate and undertook an affirmative obligation to let a buyer know what the deal is. Because of the uncertainties surrounding this property, we wanted to reserve the right to take another look at it should it sell for more than that. No one seems to know what the situation is or what the present owners' plans are. That is one reason we wanted that provision. We also agreed as part of the assessment that they would sign a Covenant Not to Sue which means they will not initiate any further assessment reduction petitions during our freeze agreement. This binds the individual interval owners as well as the commercial owners. There was a representative of the unit owners present at all the negotiations. All the terms and conditioned have been explained to them. Because it was uncertain how the various municipalities were going to handle the refunds, we negotiated a 180 days grace period to determine how the Town, County and School will pay. As long as we pay within 6 months of the Court Order, we will be timely and without interest due during that 6 month period.

Mr. Murphy stated given the risk we had of going to trial, it was a very good settlement. We would have been looking in the aggregate at refunds for the Town, County and School that would have approached \$3 million dollars. When both experts are telling everyone involved the assessments are too high, it is our obligation to do the right thing and fix it. This is what this settlement does. The cooperation between Roby's office, the school Superintendent, the School Board, Ron Briggs and Bill Kissel was great. Everyone showed up at the meetings and participated. The School District has already voted tonight to ratify the settlement. I came from that meeting to answer all their questions. It is a financial hit to the Community, but we now

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have a stable value to go forward. I am recommending the Board approve this settlement as presented in the Resolution.

Supervisor Politi stated I want the Board Members and Chris Knight to know that there were other parcels involved that were not part of this lawsuit. Those assessments that were not challenged amounted to \$10-\$12 million dollars. Taking that into consideration the un-grieved parcels, we are talking about an assessment that is in the range of \$50 million dollars. In looking over this resolution it reads, "...providing for going forward aggregate assessment \$40,000,000 effective... and to be maintained for the next succeeding three years." I know we talked with Kevin and he wanted five years. Is this a typo?

Mr. Murphy stated the three years are for 2010, 2011 and 2012. 2009 is our revision year. Kevin backed off of on the five years. You told me not to call you unless it was a problem. In this case, you do not want to go five years out because there is too much uncertainty about what is going to happen to this property.

Supervisor Politi stated the floor is open for questions.

Councilman Damp stated I understand that #5 of the Resolution preserves our rights. If it does sell for \$65 million, we just walked away from \$25 million. Is that right?

Mr. Murphy stated you have to remember that you are settling the litigation up to and including 2009, and you are taking a snapshot of the value on July 1<sup>st</sup> of each of those years. It may sell for more. It may sell for less. It may not sell at all. If it does sell for more you are reserving the right to look at that number. Valuing this potential sale is different than looking at a sale of a home, shopping center or a typical apartment project. The sale isn't really a sale 100% for assessment purposes. When they sell, you have to allocate out the business enterprise part of the value because of the commercial component of this property. You have to allocate out the F.F. & E. (furniture, Fixtures, and Equipments). With your example of a \$65 million dollar sale, for assessment purposes that might translate into a \$58 million dollar value. If there is a sale then we would try to sit down with the new owners so we don't find ourselves in this opposition again.

Councilman Damp stated if it does sell, how does the condo aspect of the property work?

Mr. Murphy stated this property is unique because the units were not offered as discrete whole units. They were offered on a timeshare bases. The intervals make evaluation complicated. Under 339Y of the Real Property Law, even though the property owners can sell their individual units whenever they wish, the property has to be valued for assessment purposes as if it has one unitary owner much like an apartment building. You have to take that whole property value it and allocate that value to its various component parts. In the normal residential condominium property, this is not very complicated. In this property it is extremely complicated because of the restaurant and spa, the common areas and Canoe Club parcels with frontage on the lake. All has to be taken into account when analyzing the sale. I live in a condo property in the city of Saratoga Springs which has two floors of residential units, and four floors of commercial and private office units. It has always been a struggle for the Assessor to figure out how to allocate those values. There are smaller condo properties in the town, Lakeside, Brookhill, Holiday Harbor, but nothing on this magnitude.

Councilman Damp stated plus they don't rent the units out as hotel units in the absence of the owners which is the hook in the sale process at the Lodge.

Mr. Murphy stated that is right. The others may be rented on a short term bases but this is much like a Hotel and Resort operation. As we sit here tonight, 60% of the intervals are still unsold.

Councilman Miller stated it sounds like we made the best of a difficult situation.

Mr. Murphy stated we did. There was an effort to market the property last year on a sealed bid bases. The set-up bid that could lead to a potential sale was \$30 million and received no bid. If I can settle at \$40 million then I believe I done a prudent thing at this point.

Councilman Miller stated what if that sells next year for \$30 million. Do the new owners have the right to take us back to court and argue to bring it down to \$19 million?

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Mr. Murphy stated not to \$19 million. A \$30 million sale would not net out to \$19 million on this property. For example, there was a \$60 million sale by Mr. Barile's company to T-Rex in February 2007. Consideration paid in that transaction was \$60 million, When our appraiser analysis process (furniture, fixtures, and equipment, Non tangible unassailable interests.) they equated that to \$52 million as to what an assessor could fairly impose on a property. It is a difficult and very complicated problem for assessors. You have to remember that when this property was started the sales prospective could have this property at \$100 million. Things happened in the real estate market.

Supervisor Politi stated in all fairness to the assessors it is a very difficult appraiser problem and quite frankly town assessors and village assessors do not have the expertise and capability of valuing such a specialized property. We would have to pay \$40 to \$50 thousand dollars every time we had a reappraisal on a property like this.

Councilman Miller stated it is pretty likely that this is not the end of the story.

Supervisor Politi stated the real concern is if it sells for \$20 million. Hopefully we would take the position that there was potentially duress there.

Mr. Murphy stated sales are good evidence of value in most circumstances but not all. For a property like this you know you have to discount a sale for the non-assessable components of it. Appraisers also need to look at market conditions. Are people selling because they think they are getting full value for their property or are they in a panic? What are their motivations? We will have to cross that bridge if we get there. There are plans to develop the Canoe Club parcels. Maybe the current owners will still be there in three years from now.

Supervisor Politi expressed his appreciation to Mr. Murphy for taking the time to meet with the Town and especially the time to meet with the school. It wasn't fair to Danny Nardiello to have to explain that to the school board.

Chris Knight asked Mr. Murphy who or what company currently owns the property.

Mr. Murphy stated there are five main components to the property and there are three different petitioning entities which are all Limited Liability Corporations. For my purposes, I wasn't too concerned who the principles in those were. The suits are all from one economic unit which is the lodge. The primary one is called Canoe Club, LLC. If you want more information on the entities, I would suggest you call Mr. Row in Syracuse.

Chris Knight asked the Board where they would get the money.

Supervisor Politi stated we would consider one of two directions. We would have to look at a Fund Balance, or we would bond for it.

Christ Knight confirmed that the 180 days gives the Board time to decide.

Supervisor Politi stated we also have a couple of other cases that we are about to settle on with regard to the same type of condominium law; Brookside and Lakeside condominiums at the Whiteface Resort. Both those cases will also involve refunds. It is likely we will tie both those cases and this one with the payout. I believe the school will do the same.

Supervisor Politi stated while you are here, David, I wanted to bring to your attention a case in the Buffalo News about the Town of Lockport. The town voted to eliminate condominium conversions and rezoning. They voted on Wednesday to prevent homeowners from receiving a tax break if they convert properties to condominiums. If it is an existing building, it cannot be converted into condominiums. It was passed 4-0 and falls under the Home Rule Law.

Mr. Murphy stated my gut reaction would be that it might get challenged on a constitutional basis. If you file condo documents and the Secretary of State and the Attorney General in the State of New York accept them they the Town may not have the jurisdictional authority and could be challenged under an Article 78 proceeding. The story is interesting but I am not aware of it.

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Derek Doty stated you still have to give them credit for taking it on.

Supervisor Politi stated this particular community had 140 units. We have a lot more than 140 units in this community.

Mr. Murphy stated a lot more people vacation in Lake Placid than Lockport. Everyone who goes to Lockport is going somewhere else.

Mr. Murphy stated it (Whiteface Lodge) was a tough case but I think we got the best possible deal. Getting the interest waved was huge and getting them to drop the first two years was huge. We were looking at a cool \$3 million dollar payback.

Supervisor Politi asked if the board had a chance to read the Resolution which Mr. Murphy reiterated the detail in the Resolution is both to benefit the Board and the public.

Councilman Favro moved and Councilman Damp seconded the motion to sign the Whiteface lodge settlement Resolution as written and presented.

Supervisor Politi asked for a Roll Call vote; Supervisor Politi; Aye, Councilman Rand; Aye, Councilman Favro; Aye, Councilman Miller; Aye, Councilman Damp; Aye. There being no further discussion, the motion was unanimously carried.

The Board signed two Resolutions; one to file in the Clerk's office and one for Hacker & Murphy.

Supervisor Politi thanked Mr. Murphy stating that his explanation was outstanding. Mr. Murphy was not being paid for the visit.

**DECEMBER BUDGET AMENDMENTS**

Supervisor Politi explained the December budget adjustments are basic accounting housekeeping modifications at no cost to the tax payer;

- \$248.00 from Assessors Travel Fund to Assessors Equipment Fund for a new computer monitor.
- \$2,500.00 from Insect Control to Economic Development Request for the John Brown Anniversary.
- \$3,000.00 from Park District Gasoline and Diesel Surplus Fund to Park District Payroll

Councilman Favro moved and Councilman Miller seconded the motion to approve the December budget amendments as written and presented. There being no further discussion, the motion was unanimously carried.

**APPROVE RESOLUTION TO ADVERTISE JET FUEL STATION FOR PUBLIC BID**

Supervisor Politi stated I received a letter from Ivan Zdrahal. New York State DOT has approved the contract plans and specified for the Jet Fuel Station project at the Lake Placid Airport. The Town can now advertize this project for public bid. He would like to advertize the project in December and I would like to get your approval to move forward in so doing.

Councilman Rand moved Councilman Favro seconded the motion to approve advertizing the Jet fuel Station Project at the Lake Placid Airport for public bid. There being no further discussion the motion was unanimously carried.

**APPROVE SMS CONTRACTUAL AGREEMENT-1YR**

Supervisor Politi stated Cathy Gregory has requested that we approve the contractual agreement of Standard Medical Services in Queensbury for urine drug screening, alcohol breath Testing and physical exams for employees within the Town Departments. This is the same contract as last year with no changes. The cost of the service is as follows; urine drug screening \$53 and employee, Alcohol breath testing are \$21 an employee and physical exams are \$100 an employee.

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Councilman Favro moved and Councilman Rand seconded the motion to approve the Standard Medical Services contractual agreement as presented. There being no further discussion, the motion was unanimously carried.

**RESOLUTION COMMEMORATING THE 150TH ANNIVERSARY OF JOHN BROWN'S DEATH**

Supervisor Politi stated I have given each of you a resolution commemorating the 150<sup>th</sup> Anniversary of John Brown's Death. I would like to move as part of the record for the Town of North Elba this commemoration.

Councilman Damp moved and Councilman Miller seconded the motion to accept the Resolution commemorating the 150<sup>th</sup> anniversary of John Brown's death. There being no further discussion the motion was unanimously carried.

Supervisor Politi tested the students with John Brown trivia which not only stumped the students, me and most of the Board. Supervisor Politi proved to be extremely knowledgeable with regards to the history of John Brown.

**30TH ANNIVERSARY OF THE 1980 WINTER OLYMPICS- REQUEST FOR LIGHTING THE TORCH.**

Supervisor Politi stated the lighting of the torch is planned in February 2010 running for the two weeks of the Vancouver Games. It is in commemoration of our 30<sup>th</sup> anniversary and of the Vancouver Olympics. It will be turned off and lit again for the Empire State Games. The Estimated cost of the propane to light and keep the flame burning is about \$9,000. Denice Ryan has always taken on this project. ORDA is working on the 30<sup>th</sup> Anniversary projects in the community similar to Winterfest last year. I have spoken with Cathy Gregory and she feels that we would be able to fund up to \$3,000 from surplus funds from 2009. The money can be deposited into the Adirondack Community Trust so that the money can be used in 2010 and will not have to come out of the budget. He stated this does not have to be approved. It is our site and we could fund 1/3 of the cost.

Councilman Damp stated it is a worthwhile thing to do.

Councilman Damp moved and Councilman Favro seconded the motion to allocate \$3,000 from the 2009 surplus fund to help fund the torch for the 30<sup>th</sup> Anniversary of the 1980 Winter Olympic Games. There being no further discussion, the motion was unanimously carried.

**COUNCILMAN DAMP'S LAST BOARD MEETING**

Supervisor Politi stated it has been an honor, Chuck, to have you on this Board. You have made it so much easier for me because of your insight into insurance issues and your analytical thinking. You perform so admirably for the public. I appreciate it and I know the other Board members feel the same way. We have a wonderful mix of participants on this Board. I know that Derek will be a worthwhile substitute. I am very sorry that you chose to "tire".

Councilman Damp thanked Supervisor Politi and stated I did very much enjoy working with you all. I have to say, Roby that I didn't realize that a meeting did not have to take three hours. A one our meeting is doable.

**COMMITTEE REPORTS:**

Supervisor Politi let our student visitors know that know is the time many people sneak out because they are now going to talk about boring things.

**SHIPMAN YOUTH CENTER UPDATE – SKATEBOARD PARK**

Councilman Miller stated I went down to the Shipman Youth Center back in September. Anytime I go down there I have not seen the Skate Park running. I asked some of the kids and they said they weren't using it. I asked one of the staff members for the hours of the Park. They stated they haven't been able to use it because they don't have staff to monitor it. The question then is what did we spend \$7,000 on? I recommended to the shipman Youth Center that they send us a request for money and include how many hours the park has been open and how many kids are using it. I ran into Jon Fremante two weeks ago and requested that information again.

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They will not respond. I question if we should be sending them another \$7,000 if they can't tell us what the money is for.

Supervisor Politi stated the money was set aside in the 2010 budget but we don't have to give it to them. If it is not utilized then we have many other worthwhile uses for it. Much like the propane cost for a worthwhile project for the 30<sup>th</sup> Olympic Anniversary. These are things you don't think about at Budget time. He stated I understand your position, and I think it is unfortunate. I appreciate you bringing it to our attention.

Councilman Damp stated we don't necessarily send them a check just because it is in the Budget. As with anything else, there has to be some type of formal communication.

**SALT AROUND MIRROR LAKE UPDATE**

Councilman Miller spoke with the DOT, DEC and the Town of Keene. He stated Michael Fayette is the Regional Director of DOT. He understands our issue of salt around Mirror Lake and wants to help solve the problem. However, they need a separate salt shed for sand that has been mixed with Magic Salt and there is not enough money in the budget to warrant him building another salt shed for that purpose. According to Mike there are problems with magic salt. The manufacturer says it will cut down the need for salt by 50% and his experience says that it cuts down about 10%-15%. The cost associated with it is an increase of approximately 25%. He spends \$2,000,000 a year on salt so the expense is great. He is a progressive guy and is always looking for alternatives. I will touch base with him in the Spring and see what we can come up with.

Councilman Damp stated ironically there is an email blast that came out a few days ago about a State Shared Services grant allowing up to \$400,000. He suggested we look into using that shared services to build the State the salt shed.

Councilman Miller stated I also spoke with the Highway Superintendent in Keene and they use the Magic salt. I am not convinced that the Magic Salt is the be all and end all. There are a few new products coming out on the market.

Councilman Damp stated why do they have to use 100% salt period. Why can't they put, as we do, a mix with sand.

Superintendent Straight stated it is because of the cost of clean-up in the spring.

Councilman Damp stated can't they identify that section of highway and call it "sensitive" or something. If there is a problem, why can't we or the Village take care of Main Street?

Councilman Miller spoke to the Watershed Association and they say the sand is worse than the salt. I also spoke to Brad and he is willing to work with us and his Village Board. He wants to try out the sidewalks this year and talk about it again in the spring.

Superintendent Straight stated they are finding out that the Magic Salt is not as good for the Lake as they thought.

Councilman Miller called Magic salt asking for test results showing safety of Magic salt in lake and they we uncooperative. They are very quick to tell us that it is safe product for the waterways. The question is if the nutrients put into the lake will become a problem. The company will tell you that it's safe but won't tell what test they took.

**Fire Department Contract**

Councilman Favro reported on the Fire Advisory Committee stating Harrietstown has a different issue than we do even though we have the same service. They are trying to require the Village of Saranac Lake have a paramedic, which they should have. If they don't put one in place, then we pay a lesser rate of 2%-3%. It wasn't much.

**Town Attorney Reports**

Attorney Briggs had nothing to report.

**County Report - Nursing Home Update**

Supervisor Politi reported on the nursing home that is run by the County. He stated I am going to do everything he can to get the county out of the nursing home business. It cost us over \$4 million dollars a year in Fund Balance and there is not Fund Balance left. There is \$14 million in Fund Balance. \$7.5 million this year for the tax levy which leaves us with \$7 million for next year 2010. There are 110 patients and it works out for each patient to cost county \$110,000.

**Audits**

Supervisor Politi asked for a motion to approve the audits.

TOWN OF NORTH ELBA		
CLAIMS APPROVED FOR PAYMENT 12/08/09		
	Regular	Prepaid
A FUND	101,501.46	44,321.31
DA FUND	8,746.58	9,360.27
DB FUND	4,311.82	-
H43-2008 AIRPORT CAPITAL PROJECTS	29,762.56	-
RD03-THEIANOQUEN WAY	5,938.80	-
SP PARK DISTRICT	14,449.47	15,095.16
SW2-MCKENZIE WATER	-	73.80
SW3 RAY BROOK	14.36	515.73
T&A TRUST AND AGENCY	-	-
TE -PRIVATE PURPOSE TRUST	-	-
	164,725.05	69,366.27
11390-11408;11410-11476; 11512-11564		

Councilman Favro moved Councilman Damp seconded the motion to approve the audits as written and presented. There being no further discussion the motion was unanimously carried.

**County Report - Mountain Valley Shuttle Service**

Supervisor Politi ORDA always ran the bus system to Whiteface Mountain. County would like to extend this to Jay and Ausable. ORDA does not want to run a transportation business anymore. Concept is one operator and an agreement between Town of Jay, Wilmington, North Elba, Village of Lake Placid, ORDA and County. Village shuttle would be tied in around here and bus system to Whiteface, Jay and Ausable Forks. Agreement was each town will contribute moneys. We hoped it would have been up and running by now. We have been negotiating for some time. This is not ORDA fault it's more a county issue in terms of getting it done. One of the biggest problems was the Bridge in Crown Point. Buses were needed down there. Right now it's looks like we are going to be working this out with an outside company to come and run bus. We will continue to contribute \$45000 a year. The other Towns along with ORDA will also make contributes. New York State will also utilize funds.

Chris Knight asked if the buses have been running. Supervisor Politi said they have been running and he believes they are now on winter schedule. Randy Douglass and Randy Preston would be able to tell you more.

There being no further business to come before the Town Board. Councilman Rand moved and Councilman Favro seconded the motion to adjourn the Regular Town Board meeting at 8:20p.m.

Respectfully Submitted,

Laurie Curtis Dudley  
 North Elba Town Clerk