

OCTOBER 19, 2006

The Town Board of Corinth held a workshop meeting on October 19, 2006 at 4:00PM at the Town Hall.

Present: Richard Lucia, Town Supervisor  
Charles Brown, Councilman  
John Major, Councilman  
Edward Byrnes, Councilman  
Mitchell Saunders, Councilman  
Rose E. Farr, Town Clerk  
Fred Mann Jr., Code Enforcement Officer

Public: Barbara Weatherwax, Ginny and Carroll Ogden, Russell Melville, Bruce Baker, Nicholas Yannaci, Mary Baugh, George Melville and Mr. Anderson.

**RESOLUTION #223**  
**AUTHORIZING SETTLEMENT OF PENDING**  
**ARTICLE 7 REAL PROPERTY ASSESSMENT CASES**  
**FILED BY CURTIS-PALMER HYDROELECTRIC COMPANY**

Supervisor Lucia said the Town Board needs to pass a resolution regarding the proposed settlement with Curtis-Palmer Hydroelectric Company. A motion was made by Councilman Brown, seconded by Councilman Byrnes and the following resolution was enacted:

WHEREAS, Curtis-Palmer Hydroelectric Company, L.P., (“Petitioner”), previously commenced Article 7 Real Property Assessment Review cases against the Town in 2002, 2003, 2004, 2005 and 2006 concerning the assessments on its electrical generating properties located on Pine Street and River Street, more specifically identified by their Tax Map Numbers, which are 74.21-1-32 and 73.27-2-26.2, respectively, and

WHEREAS, the Petitioners have made a settlement proposal which the

Town Assessor has reviewed, and the Town Board has reviewed the matters with Town Counsel, and

WHEREAS, the Counsel for the Corinth Central School District believes the School Board will approve the proposed settlement terms at its meeting later this month, and Counsel for the Village of Corinth likewise believes the Village Board will approve the proposed settlement,

NOW, THEREFORE, BE IT

RESOLVED, that the Corinth Town Board hereby approves the proposed settlement of tax assessment cases filed by Curtis-Palmer Hydroelectric Company, L.P., for 2002, 2003, 2004, 2005 and 2006 upon the terms set forth in the attached copy of the proposed Stipulation of Settlement and Order in these matters.

and

BE IT FURTHER,

RESOLVED, that the Town Board affirms that pursuant to the attached proposed Stipulation of Settlement and Order, no refunds shall be paid to Petitioner in the settlement of these matters, and the terms of settlement hereby approved shall remain unchanged in the event of any Town-wide revaluation or update, and.

BE IT FURTHER,

RESOLVED, that the Town Board further authorizes and directs the Town Supervisor, Town Assessor, Budget Officer and/or Town Counsel to execute settlement documents and take any additional steps necessary to effectuate the proposed settlement in accordance with the terms of this Resolution and the attached proposed Stipulation of Settlement and Order.

Duly adopted this 19th day of October, 2006, by the following vote:

AYES : 5 Lucia, Brown, Major, Byrnes and Saunders

NOES : 0

ABSENT: 0

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF SARATOGA

-----X  
In the Matter of the Application of  
CURTIS/PALMER HYDROELECTRIC COMPANY, L.P.

Petitioner,

- against -

THE TOWN OF CORINTH, NEW YORK AND ITS  
ASSESSOR AND BOARD OF ASSESSMENT REVIEW,

Respondents,

And

CORINTH CENTRAL SCHOOL DISTRICT,

Respondent/Intervenor.

To Review Real Property Assessments Pursuant  
to Article 7 of the Real Property Tax Law  
(Tax Years 2002-03, 2003-04, 2004-05, 2005-06, 2006-07)  
-----X

**STIPULATION OF  
SETTLEMENT  
AND ORDER**

**Index Nos.: 2002/2251,  
2003/2068, 2004/1981,  
2005/1782, 2006/1741**

**Hon. Stephen A. Ferradino**

**WHEREAS**, the above-captioned proceedings were commenced by Petitioner challenging the assessments of certain real property located in the Town of Corinth and identified as Parcel Nos. 74.21-1.32 (Palmer Hydroelectric Facility – Pine Street Rear) and 73.27-2-26.2 (Curtis Hydroelectric Facility – River Street) for tax years 2002-2003, 2003-2004, 2004-2005, and 2005-2006; and

**WHEREAS**, the Corinth Central School District has properly intervened in these proceedings and the Village of Corinth is deemed to be a proper party to these proceedings for purposes of this Stipulation of Settlement and Order (hereinafter “Stipulation” or “agreement” or “settlement agreement”); and

**WHEREAS**, it is in the interests of all parties to resolve the inherently complex issues in these proceedings at this time and in this manner;

**NOW THEREFORE**, it is hereby stipulated and agreed by, between and among all parties, through their respective attorneys, that the above-captioned proceedings be settled and discontinued with prejudice, and that an order and judgment to that effect is and will hereby be entered without further notice to any party subject to the following terms:

1. Approval of the settlement set forth in this Stipulation and all required authorizations and resolutions by all parties, including Petitioner, along with the Town Board of the Town of Corinth, the Village Board of the Village of Corinth, and the Board of Education of the Corinth Central School District, have heretofore been made, and received by their respective counsel.

2. The assessments of the subject properties for the tax years in issue shall remain as they are on the final assessment rolls for each of the respective years petitioned herein.

3. For a period of seven (7) years beginning with the 2006 assessment year (tax year 2006-2007) and continuing through the 2012 assessment year (tax year 2012-2013), the Petitioner's total combined tax liability, including Town, Village, County and School District taxes for both Tax Parcel No. 74.21-1.32 (Palmer Hydroelectric Facility – Pine Street Rear) and Tax Parcel No. 73.27-2-26.2 (Curtis Hydroelectric Facility – River Street) shall be \$2,500,000 for the 2006 assessment year (tax year 2006-2007), \$2,675,000 for the 2007 assessment year (tax year 2007-2008) and the amount due for each Tax Year after the 2007-2008 Tax Year escalated at a rate of 5% per annum compounded, resulting in the schedule of Total Tax Payments shown below. For each Tax Year, the Total Tax Payment due from Petitioner shall be apportioned among the Town, Village, County and School District in the amounts set forth below:

<i>Assessment Year</i>	<i>Tax Year</i>	<i>Total Tax Payments</i>	<i>Town 13%</i>	<i>Village 26%</i>	<i>School 52%</i>	<i>County 9%</i>
2006	2006-2007	\$2,500,000	\$325,000	\$650,000	\$1,300,000	\$225,000
2007	2007-2008	\$2,675,000	\$347,750	\$695,500	\$1,391,000	\$240,750
2008	2008-2009	\$2,808,750	\$365,137	\$730,275	\$1,460,550	\$252,787
2009	2009-2010	\$2,949,188	\$383,394	\$766,788	\$1,533,577	\$265,426
2010	2010-2011	\$3,096,647	\$402,564	\$805,128	\$1,610,256	\$278,698
2011	2011-2012	\$3,251,479	\$422,692	\$845,384	\$1,690,769	\$292,633
2012	2012-2013	\$3,414,053	\$443,826	\$887,653	\$1,775,307	\$307,264

For purposes of this Stipulation, the above-listed Tax Years shall each be deemed to run from September 1<sup>st</sup> of the first year in each pair to August 31<sup>st</sup> of the following year (e.g.: September 1, 2006 through August 31, 2007). For each Tax Year, the amount due to the School District shall be paid no later than September 30<sup>th</sup>, the amounts due to the Town and County shall be paid no later than January 31<sup>st</sup> and the amount due to the Village shall be paid no later than June 30<sup>th</sup> (first payment June 30<sup>th</sup>, 2007.) Any payment not timely made shall accrue interest at the greater of an annual rate of 9% or the latest annual interest rate on judgments and settlement funds promulgated by the New York State Office of Real Property Services.

4. The tax assessments for the subject parcels shall be set by the Town of Corinth Assessor for each Assessment Year listed above after the State establishes the equalization rate and the official tax rates are established by the municipalities and School District for the applicable Tax Year. The assessments shall reflect the Total Tax Payment due from Petitioner for the applicable Tax Year as set forth above. In the event that any adjustments in assessment are required, those adjustments will be made by the assessor in the following year including 2013. Consistent with their relative generating capacities, the total combined assessed value of

the parcels shall be apportioned 81.63% to Tax Parcel No. 74.21-1.32 (Palmer Hydroelectric Facility – Pine Street Rear) and 18.37% to Tax Parcel No. 73.27-2-26.2 (Curtis Hydroelectric Facility – River Street).

5. Provided that Petitioner's total combined tax liability for Tax Parcel No. 74.21-1.32 (Palmer Hydroelectric Facility – Pine Street Rear) and Tax Parcel No. 73.27-2-26.2 (Curtis Hydroelectric Facility – River Street) remain as set forth in Paragraph 3 during the term of this Stipulation and Order, Petitioner and/or its successors-in-interest or assigns shall promptly withdraw any grievance, petition or proceeding in 2006, 2007, 2008, 2009, 2010, 2011, 2012 or 2013 challenging the assessed valuation of the subject parcels.

6. Petitioner also agrees to waive any and all claims for further refunds and/or any other additional relief under the terms of two certain settlement agreements previously executed and filed in the Saratoga County Clerk's Office on September 1, 2000, to settle Petitions bearing Index Numbers 98-1772, 99-2016, 00-2025, 98-1771 (and/or 98-1773, 99-2017 and 00-2026. (Copies of said settlement agreements are annexed hereto as Exhibit A.) Petitioner further agrees to withdraw, with prejudice to renewal, its Motion for an Order of Contempt, dated May 30, 2003, against Respondents, said Motion having been made by Petitioner in connection with the above-referenced (and attached) settlement agreements ("Contempt Motion"). In addition, Petitioner shall refund to the Village of Corinth, the sum of \$103,570.14 previously paid by the Village to Petitioner in response to a demand by Petitioner in connection with the above-referenced settlement agreements. No interest shall accrue to said refund provided it is paid to the Village within 30 days of the filing and entry of this Stipulation. Otherwise, interest shall accrue at a rate of 9% per year. Petitioner's obligations set forth in this paragraph 6 are contingent on its total combined tax liability for Tax Parcel No. 74.21-1.32 (Palmer

Hydroelectric Facility – Pine Street Rear) and Tax Parcel No. 73.27-2-26.2 (Curtis Hydroelectric Facility – River Street) remaining as set forth in Paragraph 3 during the term of this Stipulation and Order. In the event such tax liability does not remain as set forth in Paragraph 3 during the term of this Stipulation and Order as a result of the repudiation of this Stipulation and Order by any one or more of the Respondents, such repudiating Respondent(s) will pay to Petitioner the respective amounts on a pro rata basis due by each of them which are the subject of the Contempt Motion within thirty (30) days of the final determination of the total tax liability for any Tax Year in which the total tax liability exceeds the amount provided for in paragraph 3 of this Stipulation.

The amount due from each such repudiating Respondent shall be pro-rated on the basis of that portion of the overall term of this Stipulation and Order with which the repudiating Respondent has complied. By way of illustration, if one or more Respondents repudiate this Stipulation and Order and Petitioner's total tax liability in Tax Year 2010-2011 exceeds the amount set forth for Tax Year 2010-2011 in the table in Paragraph 3, the amount the repudiating Respondent would have otherwise owed to Petitioner pursuant to the Contempt Motion if not for the contingent waiver granted by Petitioner in this Paragraph 6 shall be reduced by four-sevenths of that amount. No repudiating Respondent shall incur payment liability under this Paragraph more than once during the term of this Stipulation and Order.

7. The parties acknowledge that Real Property Tax Law §727(1) is inapplicable to this agreement and this agreement will not be construed as requiring the Respondents to carry the final assessment for tax year 2012-2013 forward for the succeeding three tax years. In the event of a town-wide revaluation no changes will be made to the payments required by paragraph 3 hereof. Unless this agreement is terminated sooner by Court Order or mutual agreements of all

parties, the assessments on the subject parcels during the term hereof shall be determined as set forth in Paragraph 4 above. Beginning with the 2013 assessment year (being the 2013-2014 tax year), the Town of Corinth Assessor will be free to determine appropriate assessments for the subject parcels, absent another agreement covering assessment years subsequent to those governed by this Stipulation, entered into between the parties prior to the expiration of this Stipulation.

8. The parties further agree that nothing contained herein shall preclude or limit the authority of the Town of Corinth Assessor from assessing improvements or additions to any of the parcels which are the subject of this Stipulation of Settlement and Order. An assessment on any property subject to this Stipulation may be changed during the term of this Stipulation where there has been a physical change (improvement) to such property thereby increasing the generating capacity of the facilities by five or more percent over the existing generation capacity. In the event of such change in assessment the Town of Corinth Assessor shall reset the payment schedule enumerated in Paragraph 3 to reflect the new assessment based on the physical change to such property which increased the existing generation capacity by five or more percent. Petitioner shall retain the right to challenge such changes in assessment, but any such challenge shall be limited solely to the change in assessment occasioned by the physical change in the property. For purposes of this Stipulation, the existing actual generating capacity of each of the facilities is as follows: Tax Parcel No. 74.21-1.32 (Palmer Hydroelectric Facility – Pine Street Rear) – 48.0 MW and Tax Parcel No. 73.27-2-26.2 (Curtis Hydroelectric Facility – River Street ) – 10.8 MW.

9. The parties further agree that in the event the subject parcels are sold for a sum equal to or in excess of one hundred twenty percent of the full market value as reflected by the

then current assessment, the Town of Corinth Assessor shall be permitted to re-assess the subject parcels based on the sale price and re-set the payment schedule enumerated in Paragraph 3 to reflect the new assessment based on the recent sale price. For the purposes of this Stipulation, a sale of the subject parcel shall include a sale of all or a majority of the ownership interest in Petitioner but shall exclude any sales to any entity in which EPCOR Utilities, Inc., directly or indirectly, has a controlling interest at the effective date of such sale. In the event the subject parcels are reassessed pursuant to this paragraph, Petitioner shall have the right to challenge such change in assessment pursuant to the Real Property Tax Law.

10. The parties acknowledge that this Stipulation of Settlement and Order is entered into for good and valuable consideration on the part of and received by all parties hereto and constitutes the entire agreement among the parties and there are no costs or allowances to be awarded to, by or against the parties.

11. The parties agree that this settlement agreement shall be interpreted and enforced in accordance with the laws of the State of New York, and venue for the interpretation or enforcement of the terms of this Stipulation and/or any judicial review of this Stipulation or its terms shall be in New York State Supreme Court in Saratoga County, New York. If any portion of this settlement agreement is held invalid, the parties agree that such invalidity shall not affect the validity of the remaining portions of the agreement. Further, the parties agree that they will take such further actions as may be necessary to validly enforce the terms and spirit of this agreement.

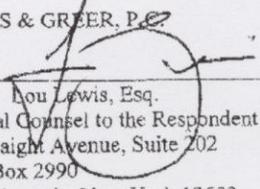
12. Upon the filing and entry of this Stipulation of Settlement and Order, the above-captioned proceedings shall be and hereby are discontinued with prejudice as to all parties, without costs to any party.

13. It is specifically agreed between the parties that this Stipulation of Settlement and Order, any portion thereof, as well as all facts pertaining to the negotiation and execution of this Stipulation shall be inadmissible in any subsequent action or proceeding before any court of law or administrative body for any purpose, except that this Stipulation and its provisions shall be admissible in any action or proceeding in Supreme Court, Saratoga County, for enforcement of its provisions.

14. This Stipulation is the full and final understanding and agreement between and among the parties with respect to the settlement of the above-captioned proceedings, superseding any and all prior written or verbal statements regarding these matters. This Stipulation may not be modified except by a subsequent writing signed by the authorized representative of each of the parties hereto, or as otherwise provided by law.

Dated: September \_\_, 2006

LEWIS & GREER, P.C.

By:  Lou Lewis, Esq.  
Special Counsel to the Respondent Town of Corinth  
510 Haight Avenue, Suite 202  
P.O. Box 2990  
Poughkeepsie, New York 12603  
(845) 454-1200

MILLER, MANNIX, SCHACHNER & HAFNER, LLC

By: Michael Hill, Esq.  
Counsel to the Respondent Town of Corinth  
451 Glen Street  
P.O. Box 765  
Glen Falls, New York 12801

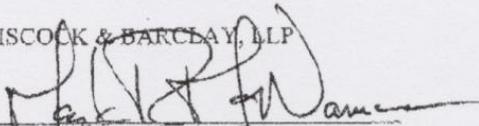
GIRVIN & FERLAZZO, P.C.

By: Salvatore Ferlazzo, Esq.  
Counsel to Corinth Central School District  
20 Corporate Woods Blvd.  
Albany, New York 12211

DAVID AVIGDOR, P.C.

By: David B. Avigdor, Esq.  
Counsel to the Village of Corinth  
8 School Street  
P.O. Box 159  
Lake Luzerne, New York 12846

HISCOCK & BARCLAY, LLP

  
By: Mark McNamara, Esq.  
Counsel to Petitioners  
1100 M&T Center  
3 Fountain Plaza  
Buffalo, NY 14203-1486

SO ORDERED, ADJUDGED AND DECREED:

Honorable Stephen A. Ferradino, J.S.C.

Dated: \_\_\_\_\_, 2006

**RESOLUTION #224**

**SALES TAX**

Supervisor Lucia stated that it was necessary to make a resolution regarding how the Town would like the County to pay them the Town's share of the

2007 Sales Tax Revenue. A motion was made by Councilman Saunders, seconded by Councilman Major, and the following resolution was

ADOPTED Ayes 5 Lucia, Brown, Major, Byrnes and Saunders  
Nays 0

Resolved to make the Town of Corinth request the County of Saratoga to pay the Town's share of the 2007 Sales Tax Revenues by cash.

**ROUTE 9N CLOSURE**

Supervisor Lucia stated that the Project Engineer in charge of the construction on Route 9N is Craig Beaushane and he can be reached at 388-0181. Councilman Byrnes told the board that he was told the construction was suppose to be completed by October 28<sup>th</sup> but due to the rain the completion date has been moved to November 2<sup>nd</sup> or 3<sup>rd</sup>. Councilman Byrnes said he just heard that it is suppose to rain again tomorrow so he has no idea how that effect the completion date.

**RE-SCHEDULE OF WORKSHOP**

Supervisor Lucia told that Town Board and the public that the workshop that was canceled on Wednesday, October 18<sup>th</sup>, has been re-scheduled for November 2<sup>nd</sup> at 4:00 PM.

**RESOLUTION #225**

**TRANSFERS**

Supervisor Lucia told the board that there needed to be certain transfer of money to cover bills. On motion of Councilman Major, and seconded by Councilman Brown, the following resolution was

ADOPTED Ayes 5 Lucia, Brown, Major, Byrnes and Saunders  
Nays 0

RESOLVED that the following transfer be made:

Transfer \$850.00 from A1110.2 (Justice Equipment) to A1110.4 (Justice Contractual to cover year-end expenses not accounted for in budget (i.e., new copier lease, etc.;

Transfer \$5,500 each from B6772.4 (Aging Contractual) and B8020.4 (Planning Contractual) to B9060.8 (Health Insurance) to cover insurance

shortfall due to employee January 1, 2006 enrollment that was not accounted for in the budget.

Transfer \$100.00 from A1330.2 (Tax Collector's Equipment) to A1330.4 (Tax Collector's Contractual) to cover cost of software.

Make Budget Adjustment to Revenue (A3060) and Appropriations (A1640.4) in the amount of \$3,303.00 for grant money received on August 16, 2005 and never recorded.

### **SUPERVISOR**

Supervisor Lucia discussed the Tentative Budget for 2007. He said the budget reflects the following items that he was able to do since the Town agreed to the settlement with Curtis-Palmer Hydroelectric:

1. 3.5% pay raise across the board
2. \$60,000.00 for fly car for paramedics
3. \$50,000.00 for feasibility study for the Town Hall expansion
4. \$100,000.00 for a new building at the landfill; roof over the scale at the Landfill and new chain link fence along the entrance side of the Landfill
5. New Roof and vinyl siding for Senior Center
6. 1 fulltime paramedic
7. 2 peace officers for Town meetings
8. \$20,000.00 to be placed in the ambulance fund

Supervisor Lucia stated that the Tentative Budget is down from last year even with all the things he has added to be done in 2007. Supervisor Lucia said that the Town Board must go over the Tentative Budget to see if any adjustments should be made. After everything is in order the Supervisor will present a Preliminary Budget to the Town Clerk who will public a legal ad in the newspaper for the Preliminary Budget Hearing, which will be held on Wednesday, November 8, 2006. Supervisor Lucia told the Town Board that after the Preliminary Budget is presented to the Town Clerk only adjustment down can be made.

Councilman Saunders asked what the net worth of the Town was. Supervisor Lucia said the net worth was \$333,342,425.00 in 2006 and this next year the estimate of worth is \$371,197,071.00.

Supervisor Lucia told the Town Board that Melanie Denno, our insurance broker, told him that the health insurance is up 15% for next year, with a \$2500.00 cap per person on medication. She told the Supervisor that last Friday Blue Shield is no longer creditable for Medicare Part D. She is looking in to MVP and other health insurance to see if she can find something better for the Town and will have a meeting with the employees in the very near future.

Supervisor Lucia told the Town Board that the Planning Board Secretary will have more hours in 2007. He said she will be working all day Wednesday, one-half day Thursday and all day the Friday after the Planning Board meeting. She will be receiving \$9.99 per hour for work done for the Planning Board and she will received the rate she was receiving in the Town Clerk's office plus 3.5% when she is working in the Clerk's office. Supervisor Lucia said that this has all been approved by the Town Clerk and she has no problem with her working more hours in the Planning Board.

Supervisor Lucia told the Town Board that the Fire Budget is set by the Village of Corinth. The Town must pay one-half of the operating budget; one-half of the Firemen's Retirement; one-half the bond payment and one-half of the reserve for new trucks, etc.

Councilman Major said he wanted to complement Supervisor Lucia on a job well done. Councilman Saunders said that he also wanted to say great job but he feels people are more concerned with their assessment going up than the tax rate to be reduced.

**RESOLUTION #226**  
**EXECUTIVE SESSION**

On motion of Councilman Major and seconded by Councilman Brown, the following resolution was

ADOPTED Ayes 5            Lucia, Brown, Majors, Byrnes, and Saunders  
   Nays 0

RESOLVED that this Board adjourned to Executive session on personnel at 5:50 PM without a decision being made.

With no further business, on a motion of Councilman Brown, seconded by Councilman Major, the meeting was adjourned at 5:55 PM. Carried unanimously

Respectfully submitted,

Rose E. Farr, RMC  
Town Clerk