

Minutes

Village Board of Trustees

August 23rd, 2018

A **Special Meeting** of the Village of Horseheads Board of Trustees was held on the above date at 7:30 p.m. Present were:

<u>Village Board and Staff</u>	
Mayor Louise McIntosh Trustee Bill Goodwin Trustee Pat Gross Trustee Rob Maloney <u>Absent</u> Trustee Skroskznik	Village Mgr. Brad Lytle Village Atty. John Groff Manager's Asst. Rachel Baer
<u>Others Present.</u>	
Kelley Maloney, Westlake St. Elliott Blauvelt, Jr., Fletcher St.	Debbie Hicks, Gardner Rd.

Resolution by Trustee Maloney, seconded by Trustee Goodwin

WHEREAS, the Village of Horseheads Board of Trustees entered into an Energy Efficiency Agreement with Wendell Energy on or about May 2014 providing in part for the reconstruction of facilities at Village Well #5 including the design and construction of a water filtration system with a maximum estimated cost of \$4,410,000, and

WHEREAS, the Village issued serial bonds to finance the reconstruction and improvements which bonds were subsequently paid down after the receipt of federal grants in aid relative to the project, and

WHEREAS, following construction of the water filtration system it was determined by this Board that it would be in the best interest of the Village and the users of the Village water system if the production of Village Well #4 could be delivered to the water filtration system through an interconnection (pipeline) from Well #4 to the water filtration plant thus enabling both sources of supply to be treated, and

WHEREAS, construction of the interconnection improvements was blended into the purchase and installation of water meters for the Village of Horseheads water system creating a single project with an estimated cost of \$2,320,789 and a resolution was adopted on or about October 9, 2014 authorizing issuance of serial bonds to finance such project, and

WHEREAS, the Village subsequently entered into an agreement with Wendel for the purchase and installation of water meters and construction of the well interconnection improvements, and

WHEREAS, the Village has received federal grants in aid which have allowed the bonds to be redeemed excepting approximately \$520,000.00, and

WHEREAS, the Federal Emergency Management Agency has required, among other things, an

archeological study relative to the construction of the interconnection improvements prior to release of the remaining monies of the initial grant approximating \$400,000, and

WHEREAS, the Village has annually issued a series of Bond Anticipation Notes (BANs) to cover the cost of completing the project pending the release of the balance of the grant while the archeological study was being completed, and

WHEREAS, the current BAN is due August 24, 2018 in the amount of \$593,869.60, and

WHEREAS, the Village has sufficient monies in the funds available to the water department to pay off the BAN in lieu of renewal of same or issuance of a Revenue Anticipation Note (RAN).

NOW THEREFORE BE IT RESOLVED, that Village Manager Brad Lytle and Clerk-Treasurer Donna Dawson are authorized and directed to take any and all steps as are necessary to cause funds attributable to the Village of Horseheads Water Department to be available on August 24, 2018 and to be used for satisfaction of the BAN due on such date, and be it further

RESOLVED, that Village Manager Lytle and staff will continue to take all efforts reasonable and prudent to secure the release of the remaining grant funds as soon as is practical.

Discussion:

Trustee Goodwin - why didn't we know 60 days ago.

Mayor McIntosh - we did. Last month the Manager talked about this, that we had to approve so we could go out and get bids for this money. But nobody bid on it.

Atty. Groff - no clear answer why. Unfortunately it created a crisis because we anticipated that this would be a no fuss effort. This is an offer to borrow. We are saying to lenders that we have a financial need, and we're asking for bids. They say we'll lend you the money and interest rate, and your hoping there will be competitive bidding. For reasons unclear that didn't happen. We got no bids. It's not a reflection of our bond rating or anything, at this point we are perplexed, but the bond is due tomorrow. No time to rebid or anything. Because of the timing and urgency you have no choice other than to utilize Village funds to pay off the bond. What we need is to pay off the \$593K.. Over the years every time we issued a BAN, each time amount went up because of interest accrued on previous loan.

Mayor McIntosh - all discussions with the state we were under the impression that we would have already been reimbursed this money. None of this is anyone's fault. At least this way we no longer have to pay interest.

Trustee Gross - we were told it was just \$400k. I didn't realize it was \$593k. I believe what you said is we have 800K in the water budget. That will leave us with just 200K.

Mayor McIntosh - yes, and with each water billing that goes out we get another \$200k.

Trustee Gross - I will vote for it, but I want to know what we have left

It was agreed to discuss this further during the workshop set for Sept. 18th.

Trustee Gross - I would like comparison of what we bring in during winter months for water.

Manager Lytle - the remaining funds that we had due to us from the grant was \$400K, from the initial

grant. That was the 400 that we held up because they rolled the wells 4-5 interconnect into it. Our initial bond was \$520K. The difference is the interest that we paid. Had they elected to pay off \$520K the Village would be ahead 73K. No idea when we will see that money. We have all paperwork, but we were told last week when they tried to change the work on initial grant and add this, DHSC recommended that we get the grant. In July 2016 DHSC was notified by FEMA that they didn't accept change of scope. It was not addressed to us - just to DHSC. Wendell doesn't have it either. DHSC and FEMA are at fault for not telling us what we need to do to get money, then keep changing it. New person now we are working with, he's asking for all of the same paperwork we have submitted before. Have to do it all over again. No idea when we'll get the money.

Discussion ensued.

Manager Lytle - if we don't pay this we would then have trouble with our bond rating.

Trustee Gross - just concerned about how it effects our budget now. We have to make some adjustments obviously. I would really like that workshop to include disc on this issue.

Manager Lytle - this doesn't effect our budget - it comes out of the water fund.

Roll Call Vote:

Mayor McIntosh:	Aye
Trustee Gross:	Aye
Trustee Goodwin:	Aye
Trustee Maloney:	Aye

Adj. at 7:47 pm.

/rmb