

# Minutes

## Village Board of Trustees

January 31<sup>st</sup>, 2019

A meeting of the Village of Horseheads Board of Trustees was held on the above date at 7:00 p.m. Those present were:

<u>Village Board and Staff</u>	
Mayor Rob Maloney Trustee Bill Goodwin Trustee Pat Gross Trustee Mike Skroskznik Village Manager Nate Nagle	Village Atty. John Groff Clerk-Treasurer Donna Dawson Manager's Assistant Rachel Baer Water Supt. Chris Lawrick
<u>Others Present</u>	
Don Zeigler, Watkins Rd. Rick Milazzo, S. Main St.	

Resolution by Trustee Skroskznik, seconded by Trustee Gross

BE IT RESOLVED, that the reading of the minutes of the Board of Trustees Meeting of January 24<sup>th</sup>, 2019 be dispensed with and the same stand approved as entered by the Clerk.

Roll Call Vote:

Mayor Maloney	Aye
Trustee Gross	Aye
Trustee Goodwin	Aye
Trustee Skroskznik	Aye

### D&A: Water Rates

Water Supt. Chris Lawrick and Clerk-Treasurer Donna Dawson started the discussion on their request to raise water rates.

Chris Lawrick:

- Engineering study underway now so that we can get grants for infrastructure
- Study will identify problems in the water system
- State wants to see that we did an engineering study

- Water revenues - totally separate from general fund
- Depreciation has to be included - wear and tear on infrastructure, etc.
- Portions of the system are 115 years old
- Recent water main break - had to shut down 16 valves in the system. Should have been 2 or 3. Many valves are inoperable or broken, etc.
- Meeting we had with Fagan on the water study
- They laughed when he learned what our rates were
- Usually average annually rate per resident for water is around \$600.
- We should be charging what its actually costing us
- I think what Clerk is proposing for rates is very reasonable
- We should be putting money back into the system for repairs
- 

Village Manager Nagle:

- Last water main break cost the Village \$8200. Includes labor and equipment.
- Approx 10 per year
- 82K per year roughly in repairs
- Will start tracking what we spend on repairs

Clerk-Treasurer Dawson:

- We've had 3 years of losses in Water Dept audits
- Mostly due to depreciation, 143K, that is the reduction the value of the system, it's an enterprise fund so you have to factor that in

Trustee Skroskznik - how will increasing rates help.

Ms. Dawson - to compensate for part of the depreciation, and not have another loss year.

Chris Lawrick - for water grants its usually a matching funds arrangement, so we need to have money available. We could come up with \$5 M in replacement costs right now. Any grant would have a max of 60%. They told us if you go for grant the first thing they look for is what we are charging for our water. That is how they grade you. If it's too low you won't get it.

Atty. Groff - they don't tell you what rates should be, but compare it with other municipalities. If there is a huge disparity it says you're not maintaining and reinvesting into your own system.

Discussion ensued.

Ms. Dawson - we haven't increased the minimum bill since 2014. I propose we increase that by \$1.00. It will help by bringing in \$32K every year. The longer we go without doing small increases then we'll have to do large increases later.

Manager Nagle - we need to create a capital improvement plan which we don't have. Outside of grants. And create a fund balance policy to tell us what we can afford for capital improvements. In my mind it's been 5 years since rate change, and we're only doing repairs. We need to look at this annually.

The Board reviewed the chart showing the water rates in several communities, the Village being

second to lowest for pricing.

Chris discussed the process of grants, how much the Village will also have to put toward it. I'm not talking about replacing the whole system. Just the sections that have valves and hydrants, etc. and certain pipes sections.

Nate - in the past after we spent the monies for capital reserve the fund was closed and no more money was put back in there.

Trustee Goodwin - our rates should be the middle compared to the others. Elmira Water Board is at the top, and we are at the bottom.

Trustee Skroskznik - different quality of living in Elmira

Atty. Groff - one purpose of the water study is to document current condition of the system, and things that need to be done. For you to start seriously considering a reserve fund is premature. In terms of changing how you operate the dept., you have people studying it now. You don't want to do things now to undermine getting a grant. Setting up a reserve fund now might be counterproductive for grants. You need to really get the study first, then start talking about grants, capital improvement funds, etc. going forward.

Chris - water study won't be done until March or April.

John - so rate increases are separate from that.

Resolution by Trustee Goodwin, seconded by Trustee Gross

WHEREAS, the Village operates and maintains a potable water distribution system for the benefit of the residents and businesses in the Village, and also for certain customers outside the boundaries of the Village, and

WHEREAS, the water system is operated as a self-supporting utility enterprise, and

WHEREAS, revenue from water service rates and other sources fund the ongoing operation and capital needs of the Village water system, including providing for normal facility operations, replacement and repair of equipment, improvements required to meet state and federal regulatory requirements, inflation and other costs, and

WHEREAS, Village staff have reviewed the costs of operating and maintaining the water distribution system as well as revenues generated from the operation of such system and have recommended certain water service rate increases, and further have demonstrated that the recommended increases do not exceed the reasonable cost of providing water services, and as such the proposed increases are not levied for general revenue purposes, and

WHEREAS, the proposed increases reflect the cost of providing services to all customers and customer classes, and

WHEREAS, the Village of Horseheads Water Department Rules and Regulations provide that the Board of Trustees may change the schedule of fees and charges from time to time, and

WHEREAS, the Village of Horseheads Board of Trustees finds that, based upon the information

presented, the proposed increases 1) recover the reasonable estimated cost of services for which the rates are charged; 2) the costs are allocated among customers so as to bear a fair and reasonable relationship to customers' burdens on and benefits from the water distribution system; 3) secure the financial stability of the water distribution system; and 4) insure high quality services.

NOW THEREFORE BE IT RESOLVED, that the proposed rate increases set forth on the attached Exhibit, which are incorporated by reference in a memo to this Board from Donna Dawson, Clerk-Treasurer for the Village, dated September 13, 2018, are hereby approved and adopted, and said rates shall supersede and replace the rates set forth in prior resolutions of this Board. Said rate increases shall become effective on June 1<sup>st</sup>, 2019.

Roll Call Vote:

Mayor Maloney	Aye
Trustee Gross	Aye
Trustee Goodwin	Aye
Trustee Skroskznik	Aye

#### Harassment Policies - Receive Drafts

Atty. Groff reminded the Board that last year you adopted a policy then we found a more updated sample policy from our counsel Roemer Wallens. I felt it was an improvement and suggest you adopt the new version which supersedes the one you adopted in October. Other one is a discriminatory harassment policy. Just receiving this tonight. On the agenda for 2/14 agenda for possible action.

#### Chapter 40 - Receive Draft

Mayor Maloney - John drafted this with our changes. Just reviewing now. Going to be on 2/14 meeting for further discussion and possible action to set a public hearing for this as a local law.

Atty. Groff - residency part is more in depth than the one you saw previously. Before the law removed residency requirement for all Village officers other than Manager and Clerk. Now it's changed so that anyone in these positions can live in any county contiguous to Chemung County.

#### Tax Cap Override Law

Manager Nagle - just receiving draft. Will formally receive on 2/7 and set public hrg.

#### Five Star Lockbox Agreement

Manager Nagle - moving money from Chase Manhattan Bank where we have a lockbox agreement. No transaction fees, but also no interest earned. FiveStar has transaction fees, but also pays interest. Would earn us about 25k in interest annually.

Resolution by Trustee Gross, seconded by Trustee Goodwin

WHEREAS, the Village of Horseheads has various “lockbox” agreements with financial institutions to assist the village in collection, depositing and processing of regularly reoccurring receipts such as real property taxes, water bills, etc., and

WHEREAS, Village Manager Nate Nagle and Clerk-Treasurer Donna Dawson have recommended that the Village enter into an agreement with Five Star Bank for its lockbox services relative to collection of water bills and potentially other reoccurring receipts of funds due to a cost savings resultant from such an agreement, and

WHEREAS, Village Attorney John Groff has reviewed and negotiated certain modifications to the proposed agreement with Five Star Bank.

NOW THEREFORE BE IT RESOLVED, that Village Manager Nate Nagle is authorized and directed to enter into a Lockbox Service Agreement with Five Star Bank as soon as is practical.

Roll Call Vote:

Mayor Maloney	Aye
Trustee Gross	Aye
Trustee Goodwin	Aye
Trustee Skroskznik	Aye

#### Municipal Electric and Gas Alliance (“MEGA”) - Discussion

Mayor Maloney - Manager Nagle went to a recent RAMS mtg. And there was discussion with some about this. What we need to decide is if we do proceed with participating even though it doesn't commit us.

Manager Nagle - Three communities at the RAMS meeting said they would take next step and see what numbers will look like. Two said they would not due to it still being an ‘opt out’ program. Tomorrow is the deadline to be part of bid process, but no commitment until bids come back.

Trustee Skroskznik - I don't agree with this. It would be an inconvenience to push residents into this. Not a fan of this.

Trustee Gross - if residents want to opt out what do they do.

Mgr. Nagle - resident would contact MEGA directly to opt out.

Trustee Gross - I agree with Trustee Skroskznik. We have a lot of older citizens.

Trustee Goodwin - if we keep going we're not committed.

Discussion ensued. The Board decided to move ahead to see what the numbers are.

Resolution by Trustee Skroskznik, seconded by Trustee Goodwin

WHEREAS, Local Law #3 of 2017 for the Village of Horseheads authorized the creation and

implementation of a Community Choice Aggregation Program, and

WHEREAS, the Village entered into an agreement with Municipal Electric and Gas Alliance (“MEGA”) to administer the aggregation program, and

WHEREAS, thereafter the Village learned that implementation of the program would have a material adverse effect on revenues to the Village of Horseheads from its gross receipts tax causing the Village to reconsider and delay its participation in the program, and

WHEREAS, MEGA has represented that it has prepared a Request for Proposal which would rectify the adverse effects and preserve the gross receipts tax relative to energy supplied within the Village of Horseheads, and

WHEREAS, the Village can cancel its participation in the program should the RFP and bids fail to preserve the gross receipts tax.

NOW THEREFORE BE IT RESOLVED, that Village Manager Nathan Nagle is hereby authorized to inform MEGA that the Village will continue to consider its participation in the program subject to a final decision being made following receipt, analysis and award of bids.

Roll Call Vote:

Mayor Maloney	Aye
Trustee Gross	Aye
Trustee Goodwin	Aye
Trustee Skroskznik	Aye

#### Manager’s Report

Manager Nagle reported on the following items:

- Rec’d Memo of Agreement from PBA - regarding comp time vs. overtime. Has to do with special detail assignments for police on overtime. STOP DWI, etc. Right now officers had option to take paid OT or comp time. What happens is if they take comp time we can’t get reimbursed because there are no expenses. So this MOA says paid OT only for special detail. I talked to our labor counsel Matt Ryan. He said that anytime you can get them to take paid OT instead of comp take advantage of it. The PBA brought this to me themselves.

Trustee Skroskznik - should confirm with STOP DWI that this is in fact the case.

Mgr. Nagle - will be on your agenda for 2/7 to authorize my signature.

- Verizon gross receipts tax settlement - will be sending new check for 14k - orig amt was 12k
- Sean Pirozzolo, New Police Officer. On the other position it could be filled by end of this budget year

- PT court clerk resigned yesterday. One judge out of town for a few weeks. Then we will discuss with them what their plan is.
- Last Friday we received a second Memo of Agreement from PBA regarding health insurance. Still investigating this. I've shared it with Matt Ryan. Will get you more info on this soon. Has to do with old insurance plan had 4 tiers. In new consortium its just 2.
- Attended the RAMS mtg. - Chris Moss was the guest speaker. They have 69 shared service agreements with local municipalities. They are going through those agmts to see who is benefitting.
- Sales tax - prob won't see change in what we are getting for another couple of years.
- Last week we talked about the need to list temp housing for our emergency plan. Were going to say the South Ave. property. But we will use the Fairgrounds location now.
- Mtg. tomorrow with Julie Chevalier from Community Progress regarding the NY Main Street grant. Will also have mtg. on Restore NY grant.

NEXT MEETING: Thurs. February 7<sup>th</sup>, 7:00pm.

As there was nothing further to come before the Board, the meeting was adjourned at 8:20pm.

/rmb

VILLAGE OF HORSEHEADS WATER DEPARTMENT							
SCHEDULE OF WATER RATES-FIRE CHARGES AND HYDRANT CHARGES							
PROPOSED RATE INCREASE WATER BILLS MAILED 5/15/19 AND DUE 6/15/19							
INSIDE VILLAGE BOUNDARIES							
<b>WATER RATES ****</b>		0 TO 6,000	GALLONS	CURRENT FLAT RATE- MINIMUM BILL		CURRENT RATE 21.82	
	NEXT	4,000	GALL @	\$ 3.87 /1000 GAL=		\$ 15.46	
	NEXT	10,000	GALL @	\$ 3.49 /1000 GAL=		\$ 34.88	
	NEXT	30,000	GALL @	\$ 2.74 /1000 GAL=		\$ 82.31	
	NEXT	150,000	GALL @	\$ 2.26 /1000 GAL=		\$ 339.66	
OUTSIDE VILLAGE BOUNDARIES							
		0 TO 6,000	GALLONS	FLAT RATE- MINIMUM BILL		\$ 32.19	
	NEXT	4,000	GALL @	\$ 5.68 /1000 GAL=		\$ 22.73	
	NEXT	10,000	GALL @	\$ 5.13 /1000 GAL=		\$ 51.31	
	NEXT	30,000	GALL @	\$ 4.00 /1000 GAL=		\$ 119.95	
	NEXT	150,000	GALL @	\$ 3.28 /1000 GAL=		\$ 492.66	
INSIDE VILLAGE FC				OUTSIDE VILLAGE FC			
<b>FIRE CHARGES (FC)</b>	<b>SIZE OF SERVICE</b>	<b>QTRLY CHG</b>	<b>ANNUAL CHG</b>		<b>SIZE OF SERVICE</b>	<b>QTRLY CHG</b>	<b>ANNUAL CHG</b>
	3"	\$ 34.33	\$ 137.33		3"	\$ 51.50	\$ 206.00
	4"	\$ 68.67	\$ 274.67		4"	\$ 103.00	\$ 412.00
	6"	\$ 80.11	\$ 320.44		6"	\$ 120.17	\$ 480.66
	8"	\$ 91.56	\$ 366.22		8"	\$ 137.33	\$ 549.33
	10"	\$ 114.44	\$ 457.78		10"	\$ 171.67	\$ 686.66
INSIDE VILLAGE HC				OUTSIDE VILLAGE HC			
<b>HYDRANT CHARGE S (HC)</b>	<b>SIZE OF SERVICE</b>	<b>QTRLY CHG</b>	<b>ANNUAL CHG</b>		<b>SIZE OF SERVICE</b>	<b>QTRLY CHG</b>	<b>ANNUAL CHG</b>
	6"	\$ 58.09	\$ 232.36		6"	\$ 79.34	\$ 317.34