



INCORPORATED:
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Village of Youngstown

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Village of Youngstown Board of Trustees March 28, 2019 Public Hearing, Work Session

PRESENT: Mayor Reynolds, Deputy Mayor Lockhart, Trustee Comerford, Trustee Zastrow, Trustee Fox, Attorney Caserta, Superintendent Muller, Chief Schuey, Sergeant Ullery, Recreation Director Harrison, Deputy Clerk-Treasurer Freiermuth.

ABSENT: Building Inspector Stevens, Engineer Lannon, Grant Writer Rotella.

CALL TO ORDER:

The meeting was called to order by Mayor Reynolds at 7:00 p.m. with the Pledge of Allegiance.

OPENING REMARKS-MAYOR REYNOLDS

Mayor Reynolds stated that he wanted to clarify an article that appeared in the Niagara Gazette as it contained information that could be misunderstood. He stated that the impression after reading the article was that water and sewer rates within the Village would be going down because the Town rate for sewer services was going down. He stated that the Town rate is only a portion of the sewer expenses for the Village and this expense covers the operation and maintenance (O&M) of the Village's portion of shared pump stations and lines through the Town.

He stated that this expense has not been paid to the Town for a few years. He stated that the money was used to support the other sewer expenses so that rates were not raised. Those expenses included the BOND with the Lewiston Water Pollution Control Center (LWPCC), a portion of new water transponders, more up to date software to handle water and sewer readings and billing and the (Village) BAN for the waterline that was installed on Lockport Street.

Mayor Reynolds stated that because the Village and Town have agreed on a rate for the shared O&M, this is an expense that will need to be budgeted and paid. Therefore, water and sewer rates need to be raised to cover expenses and to move forward. He stated that the need to raise rates was identified and now the Board is trying to fix the rate and move forward.

As documented on the printed agenda available for audience members:

Notice of Public Hearing

Notice is hereby given that the Board of Trustees of the Village of Youngstown, 240 Lockport Street, Youngstown, NY will hold a Public Hearing on Thursday March 28, 2019 at 7:00 p.m. for the purpose of hearing all interested parties concerning the following:

- *Imposing a fee of \$150 for any amount that must be relieved to a property owners Village tax bill.*
- *Increasing the minimum water bill from 3000 to 4000 gallons.*
- *Implementing a rate increase to \$4.65/1000 gallons for water and \$6.53/1000 gallons for sewer (currently \$3.65/1000 and \$5.37/1000 respectively).*

OPEN PUBLIC HEARING:

Mayor Reynolds opened the public hearing.

Resident Tim Adamson stated that when he read the Gazette article he was very happy with what he read and got the impression that the savings from the Town rate reduction was going to be passed down to Village residents.

Mr. Adamson questioned Attorney Caserta on his number of \$100,000 to repair a pump station and stated that if a pump station did need repair he was confident it would not cost that amount. He also stated that if a repair was made, the cost would be shared with the Town of Porter and possibly the Fort (depending on the location) and therefore the total amount of the repair is not as bad as Attorney Caserta made it sound.

Mr. Adamson continued that the water rate change from \$3.65 to \$4.67 is a 27% increase – which he said is huge. He stated that sewer going from \$5.37 up to \$6.53 is a 22% increase which is also huge. He stated that Village residents include an older population and Social Security only went up 2%. He continued that with there are closed restaurants and businesses and he feels that the rate needs to be lower than what is being proposed. He asked if the Board had the past 2 years of income and expenses for water and sewer and Mayor Reynolds stated that off-hand he was unsure of those numbers.

Mr. Adamson also added that he felt that the LED sign in front of the building could contain more information about the public hearing including that the hearing is about water rates.

Resident Jack Bush stated that the Town was decreasing the rates, yet the Village is increasing the rate and felt that 20% is drastic. He stated that the Board really needs to think it through because it is a huge increase. Mayor Reynolds stated that the rate was formulated to meet expenses. Mr. Bush asked if there was a mismanage of funds for the last couple of years and therefore a need for an increase. Mayor Reynolds stated no.

Resident Mike Stella introduced himself as a resident and Village business owner. He stated that water and sewer are a huge part of his business expenses. He said that the Village should be passing along the savings (from the Town) when they are obtained. He stated that the rate of inflation is 2% yet the proposed rates are more than a 20% increase. He asked if the revenues and expenses are balanced and wonders what has changed (for such a drastic increase). He asked why the numbers are not highlighted and stated that if the Village stopped paying the Town in 2013 due to the rate dispute, how much money was short paid? He questioned where that money is and if it was mismanaged.

Resident Norm Swan asked the Board what the figure is for not paying the Town for 4 years. With no reply, he stated that it is \$400,000. Mayor Reynolds stated that it is nowhere near that

amount. Mr. Swan continued that he got that information from the Town and he will contact the Comptroller for an audit. He stated he “wants to know where the money is at – every penny of it.” He questioned why the residents are now responsible for the pump stations and how the Village needs to build a slush fund. He stated that the Town has \$400,000 of Village money and that the Village does not need to raise water rates in order to build a slush fund.

Mr. Swan asked how many water meters are in a multi-unit building. He asked how many \$13.00 charges are added to the water bill for a 20-30 unit building. Mayor Reynolds stated one. Mr. Swan stated that this should be charged to every unit and that everyone should have to pay this fee. Mr. Swan asked if the Village had received the back water payment from the condos. Mayor Reynolds stated no.

Mr. Swan continued that if water bills were not paid the water should be shut off. He stated that if this happened, residents would pay their bills instead of saving it for their taxes. He also commented that there should be an extra service charge if the bills are not paid. He stated that raising the rates (of water and sewer) effects anyone trying to sell a house because the home value goes down.

Mr. Swan stated that the budget should be cut. He asked if the Board is using “guestimates” or actual hours used. He asked that if the DPW works in the park are they charging it to water. He stated that “we need to know” the balances in water and sewer, the expenses and revenues. He said that the sewer treatment plant is a headache and asked how much the Village pays Modern. He questioned if the tax cap would be overridden and Mayor Reynolds stated that taxes will stay within the limit. Mr. Swan stated that the Village could save money by shutting down the office to 4 days a week.

Mr. Stella stated that the public hearing is to raise water rates so he asked what the water revenues were over the last five years. He stated that the Board is not prepared to answer these questions and therefore is not prepared for the public hearing.

Business owner Mark Butera stated that he wanted to echo the comments. He said that in his 37 years of business he has to have numbers as his fingertips. He said that a 20% increase indicates that something is not right and it needs to be addressed.

Mr. Swan asked if the Board was voting tonight on the increase. Mayor Reynolds replied maybe. Mr. Swan stated that they cannot vote in a work session and was corrected that indeed the Board can vote on the measure.

Resident Claudia Andres stated that the article was misunderstood. She said that the Board should show the decrease from the Town verses the increase to the rates and questions if indeed the increase is a “hidden tax.” She stated that everything should be “above board” by showing where the money is going. She continued that the residents are paying the money and want to know where it is going and stated it is only fair to understand.

Mr. Adamson asked how much was in the water and sewer reserves and what amount would the Board prefer to have. Trustee Lockhart stated that the reserves are in the NY Class Accounts and he is estimating that there is \$150,000 in water and \$75,000 currently in sewer reserves. Mr. Adamson stated that it was not a bad amount. Trustee Lockhart agreed but stated that in the

future any amount paid to the Town that is not used for daily operation will be earmarked for capital improvements for the joint district equipment. Mr. Adamson asked how much the board would prefer in (Village) reserves and Trustee Lockhart stated at least \$250,000. He stated that there are many unexpected expenses that can occur including pumps not functioning, water and sewer lines deteriorating and surges from lightening causing controllers to fail to name a few. Trustee Zastrow added that the water line that was replaced on Lockport Street was over \$600,000 to replace.

Trustee Lockhart explained that the money being raised with the water and sewer rates is for operating expenses within the Village. He stated that many of the sewer lines were installed in the 1930s and most of the water lines are no newer than the early 1960s. He stated the Village needs to look at -- and address -- the infrastructure for the future. The money that is collected for water and sewer is used to meet expenses. He continued that the BOND for the LWPC came in around 2014 or 2015. The Village stopped paying the Town in 2013. He stated that in 2018 the BOND payment was \$23,500 and was from the money that was not paid to the Town. He also stated that water transponders were installed and the software program was updated – all of which were paid for with this money.

Mr. Adamson asked if the DASNY grant was “still on ice.” Trustee Lockhart stated that it is still sitting on someone’s desk (in Albany). He said that grant should have covered \$350,000 on the waterline project therefore reducing the capital and the interest. Because this has not been received, the interest is higher than expected because the balance has not been paid down. The \$13.00 water improvement charge goes towards the payment, but the “full boat” payment needs to be made with about \$20,000 in interest and \$42,000 annually on the principal. He continued that at this point the Board is looking to convert the BAN (short term financing) to a BOND to reduce the amount paid on interest and to put more of the payment onto the principal. He said that the Board is making sure they find a BOND that would allow us to pay off the loan early without additional penalty.

Mr. Adamson asked if the DASNY grant was still split between the Cold Storage and the waterline project. Trustee Lockhart stated that the entire grant was converted to the waterline project but that none of the money has been received. Ms. Andres stated that the information Trustee Lockhart shared was very beneficial and helped to clarify how the money was being spent.

Trustee Lockhart further explained that new developments must have a 4 to 1 offset ratio for infill and infiltration. He stated that because many of the Village sewer lines were put in in the 1930s, they are very deep (in the ground) and therefore there is extra flow in the lines that needs to be addressed. He stated again that the Village needs to address the infrastructure for the “stuff in the ground”.

Mr. Adamson asked if there are issues in the State Park how that is addressed. Trustee Lockhart stated that repairs are enforceable by the contract if needed. He stated that there are issues with residents as well including cleanouts at houses where the 4 inch pipe that should be accessible is sawed off and then used as a yard drain. He said that gutters, roofs, sump pumps, etc. are a part of the sewer inspection if a house sells which is when these issues should be corrected and enforced.

Mr. Stella stated it would be a good idea for the Board to put together a proposal that could demonstrate the risk, assessment and projection for the water and sewer rates to show the money from the past, present and future. Trustee Lockhart said that the rate was developed based upon the anticipated expenses versus the anticipated revenues. He continued that years ago the Village billed 47 million gallons, but that number has gone down, which also changes the rate needed to cover expenses. Mr. Stella stated that spreadsheets or a PowerPoint presentation showing the risk assessment should be done and made available for the public.

Mr. Swan asked how long it would take to build up a “slush fund” of \$250,000. Trustee Zastrow stated that the proposed rates only cover the expenses, not adding to the reserves. Mr. Swan stated that if the flows are going down how can the Board substantiate a 20% increase in rates. Mayor Reynolds explained that the Village still paid the LWPCC. The only bill not paid was to the Town of Porter for the Village’s share of O&M. Mr. Swan stated that the Town claims that the Village did not pay for the sewer and asked how this happened. He asked what the formula was for water to sewer and stated that the Village cannot use water money to pay for sewer expenses. Mayor Reynolds stated he was unsure what Mr. Swan was referring to. Mr. Swan stated that the Village was forced to pull money from other accounts according to the Gazette article. Reporter Benjamin Joseph stated that in the editing process his sentence was truncated and it should have stated that the money was used to pay a portion of the BAN. Mr. Swan demanded that the residents deserve an explanation and that the Town should be present to explain. Mr. Stella stated that he feels the Board should inform residents of what is going on.

A motion to close the public hearing was made by Trustee Zastrow and seconded by Trustee Comerford. With no further discussion, the motion was carried.

OFFICIAL ACTION OF THE BOARD

None taken.

OLD BUSINESS:

BISTRO/PICNIC TABLES:

(January 24, 2019) Attorney Caserta will research permits needed and policy for bistro or picnic tables on walkways in the Village.

(February 28, 2019) Although Attorney Caserta was absent, he reported he is in the process of researching the requirements.

(March 28, 2019) Attorney Caserta stated that he believes that the liquor authority should be involved with perhaps a special permit and that there may be ADA regulations for implementation. He stated he would have something more formal for the next meeting.

CONVERSION OF BAN TO BOND:

(March 14, 2019) Clerk-Treasurer Brown contacted Attorney Caserta who instructed her to check with KeyBank. KeyBank advised that a callable Bond would carry about 25-30 extra points versus a regular Bond. KeyBank would work with the Village as needed to convert the BAN. Information was provided to Attorney Caserta.

(March 28, 2019) Attorney Caserta stated that the Village has until around July 1, 2019 to make a decision on the best solution for the conversation as the next payment is not due until October.

SMARTBOARD GRANT: Update on Police Department Grant on a smartboard and computer.

(March 14, 2019) Clerk-Treasurer Brown contacted Grant-Writer Rotella for an update on the smartboard grant. Grant Writer Rotella advised he would check on the status and advise.

(March 28, 2019) Grant Writer Rotella was not present but informed Mayor Reynolds that he would update the Board at the April 11, 2019 meeting.

Ms. Riordan asked the Board what was happening with the relevy from the public hearing. Mayor Reynolds stated that nobody brought it up and Trustee Zastrow explained that if a resident has an unpaid water bill at the end of the year, it is added to the Village taxes. This process costs the Village time and money and therefore the fee would be added to cover those expenses. Mr. Butera asked if this was reasonable and customary and was informed it was. He said he thought it was a very good idea and agreed that the fee should be added.

NEW BUSINESS:

Mayor Reynolds asked the Board Members if they had any new business (outside of the National Grid presentation). There was none.

ANNOUNCEMENTS:

Mayor Reynolds announced that the Board would enter into executive session following the adjournment of the work session to discuss pending litigation matters.

The next Board meeting will be April 11, 2019 at 7:00 p.m. and the next work session will be April 25, 2019 at 7:00 p.m.

NATIONAL GRID STREET LIGHTING:

Trustee Fox stated that the Village is looking at options for converting the street lights to LED for energy efficiency. He introduced Marc Gschwend from National Grid who was present to speak to the Board regarding their street lighting proposal.

Mr. Gschwend stated that there are 3 options of how to move forward with the project:

1. As lights burn out, replace them with LED lighting.
2. Buyout the current lights and then purchase all new LED lighting (this program is through the New York Power Authority). This would include a large upfront cost and the asset (light) is owned, and therefore must be maintained by the Village. There would be a facility charge of aprox. \$75 per light per year in addition to the energy costs.
3. National Grid has a conversion program where the cost of the light is spread out over 20 years. There is a buyout cost for the old lights, but according to Mr. Gschwend, the lights have reached the end of their lives and therefore there would be no upfront cost.

Mr. Gschwend distributed printed information to the Board to better illustrate the program. There was confusion on terminology and the total savings and Trustee Fox stated that the decision will be based on the risk versus the reward. The Board agreed that at this point the information was not cohesive enough to make a decision and asked Mr. Gschwend to send clarified information on the program.

BUDGET REVIEW:

Mr. Butera asked if the tentative budget is available for viewing. Mayor Reynolds explained that the tentative budget would be available for viewing at the Clerk's Office once it is proposed and the public hearing is published. Mr. Butera stated that it would be convenient if the tentative budget was posted online for viewing. Trustee Zastrow agreed. Mayor Reynolds stated that it would be available for viewing at the Clerk's Office as required (by the Comptroller's Office), but the tentative budget would not be online. He continued that the final budget will be posted online.

The Board worked through the entire budget looking at expenses and revenues to balance. The tentative budget was not complete at the end of the meeting, but were confident it would be balanced within the next week to allow for the public hearing at the April 11, 2019 meeting.

Trustee Lockhart stated that the Board needed to raise the sewer rates to reflect the increase from the LWPCC. He continued that \$0.05 per thousand gallons will be increased from their current rate starting January 1 (billing date of April 1, 2019).

A motion was made to increase the sewer rates \$0.05 to cover the period from January 1 – March 31, 2019 effect with the April 1, 2019 billing date as well as imposing a fee of \$150 for any amount that must be relieved to a property owners Village tax bill on June 1, 2019. The motion was made by Trustee Zastrow and seconded by Trustee Fox. With no further discussion, the motion was carried.

A motion to set the tentative budget public hearing as well as a public hearing for implementing a rate increase of water and sewer rates for April 11, 2019 was made by Trustee Lockhart and seconded by Trustee Fox. With no further discussion, the motion was carried.

A motion to adjourn the work session and enter into executive session at 10:08 p.m. was made by Trustee Zastrow and seconded by Trustee Lockhart. With no further discussion, the motion was carried.

A motion to adjourn the executive session at 10:27 p.m. was made by Trustee Lockhart and seconded by Trustee Comerford. With no further discussion, the motion was carried.

Submitted by:

Amy Freiermuth
Deputy Clerk-Treasurer