

Painted Post Share /Erwin Shared Services & Consolidation Study Committee

Committee Meeting: July 7, 2011

Present: Patrick Alderson (via phone), Joseph Reilly, Philip Roche, Bill Wood, Bill Scheidweiler, Chuck Stebbins, Wes Strzegowski, Charles Zettek (CGR, study consultant), Hannah Beasy (CGR)

Resource :Roz Crozier, David Erwin, Chelsea Robertson

Mr. Roche called the meeting to Order at 5:30PM

Mr. Reilly questioned the last paragraph concerning the formation of committees and sub-committees. Mr. Roche confirmed that the minutes from the April meeting will be corrected. Motion to approve the Minutes of the 4/21/11 meeting made by Mr. Scheidweiler; seconded by Mr. Strzegowski. All voted in favor. Motion passed.

Mr. Zettek distributed the following to the committee:

- 1) Town of Erwin and Village of Painted Post Taxable Assessed Value, Tax Levy and Expenditure Trends.
- 2) Village of Painted Post and Town of Erwin-Fiscal Data
- 3) Village of Painted Post and Town of Erwin-Local Tax Rate Complexity Table

He reported that the Taxable Assessed Value of the Town of Erwin has consistently increased and the Village has been stagnant. This finding is the result of the value of commercial property in the Village has decreased and the value of residential has increased.

The similar increases in rates of Municipal Levy Trends and Spikes in Municipal Expenditure Trends discussed.

In order to better understand the differences between the Village and Town, Mr. Roche would like a chart including all information on Taxable Assessed Value, Tax Levies and Expenditure Trends.

Mr. Roche introduced the presentation of draft reports noting that no decisions have been made to date.

Facilities and Infrastructure Committee: Bill Woods-Chair
 Bill Scheidweiler
 Philip Roche

Mr. Woods distributed and reviewed a PowerPoint presentation of preliminary findings and recommendations to the committee. (All information in attached presentation)

Administrative and Financial Committee: Patrick Alderson-Chair
Wes Strzegowski
Chuck Stebbins

In Mr. Alderson's absence, Mr. Strzegowski distributed and reviewed a draft and recommendations of Administrative/Finance and Water Sales Review. (All information in attached presentation)

Questions:

Mr. Erwin questioned the relevance on basing all recommendations on the sale of water when the engineering study is still going on. Mr. Roche acknowledged that water sale is a small piece, but potential future profits will make a big impact on the recommendations of this subcommittee.

Mr. Wood stated that some of these numbers are not reliable because money spent can be always be hidden in other accounts. Mr. Stebbins answered by stating that more documentation needs to be obtained to make more informed recommendations.

Mr. Zettek explained "hot buttons". These are issues that don't result in a lot of money or operational change, but create major conflict.

Mr. Reilly mentioned the cemetery and parking lots are hot buttons. The Village cemetery is maintained by the cost of the plots, but is reaching capacity. The Village owns and maintains the commercial lots and in the Town, business owners own and maintain.

Any other "hot button" topics can be sent to Mr. Zettek.

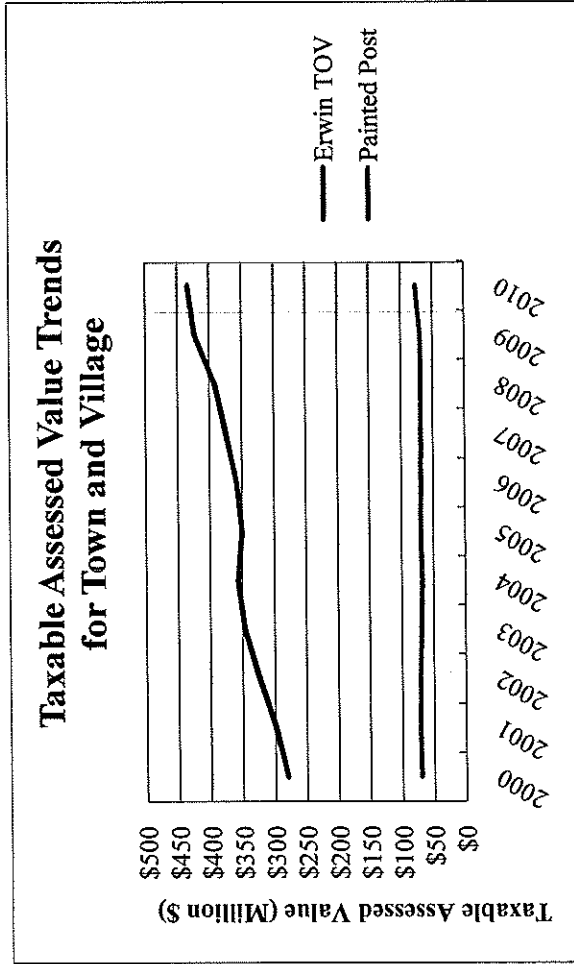
CGR will be combining all of today's information and putting into a report to review at the next meeting.

The next meeting will include scheduling the first public hearing and will be held **August 18, 2011 from 5:30 -7:00** at the Village Hall.

Meeting adjourned by Mr. Roche at 6:56PM.

Note: All reference materials will be posted as part of the monthly minutes.

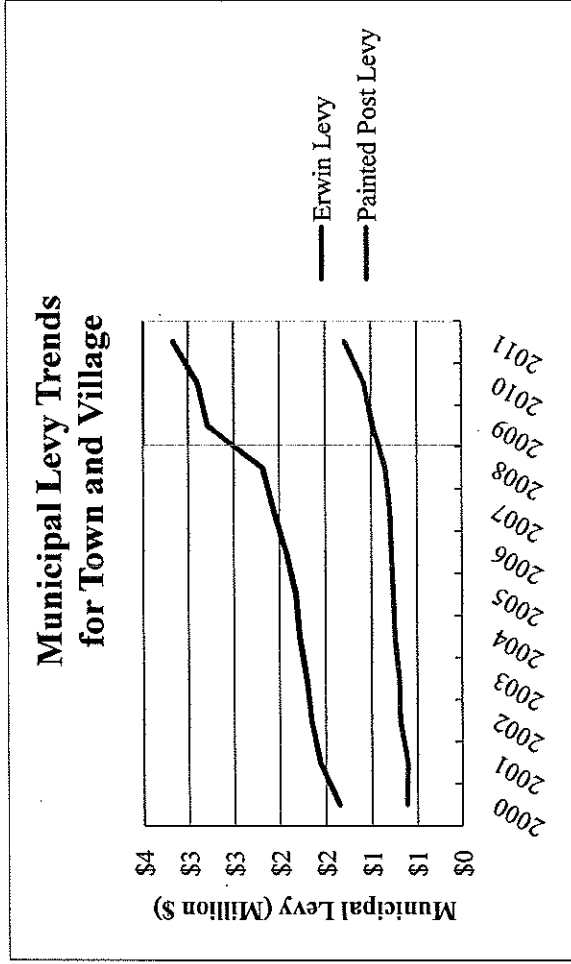
Town of Erwin and Village of Painted Post
 Taxable Assessed Value, Tax Levy and Expenditure Trends



Source: New York Office of Real Property and Town and Village Budget.
 Data for years prior to 2010 are from the Office of Real Property website. 2010 data are supplied by the Town and Village.

The taxable assessed value of the TOV has been increasing over the past decade, while the taxable assessed value of the Village has remained constant.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Tax Levies												
Erwin Levy	\$1,349,351	\$1,566,103	\$1,665,169	\$1,789,009	\$1,924,863	\$1,824,048	\$2,062,491	\$2,181,183	\$2,784,498	\$2,890,170	\$3,161,276	
Painted Post Levy	\$617,681	\$606,888	\$684,592	\$742,504	\$761,065	\$778,478	\$795,840	\$844,154	\$981,666	\$1,073,569	\$1,282,741	

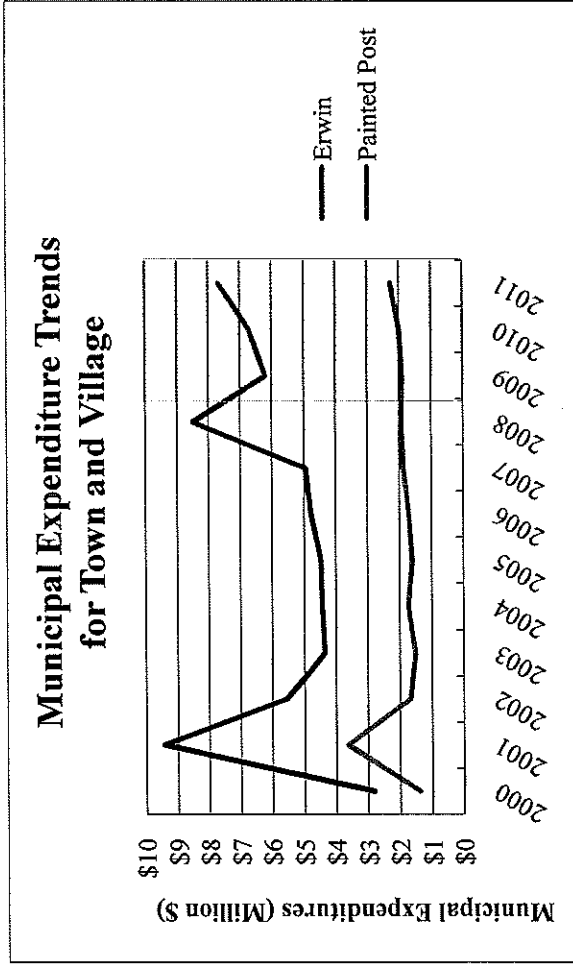


Source: Office of the State Comptroller and Town and Village Budgets Data for years prior to 2009 are from the OSC website. Data for 2009-2011 are from Town and Village budgets.

Tax levies in both municipalities have been increasing at fairly similar rates. There are discrepancies between data sources (municipal budgets and OSC website) about the actual levies in 2009.

Expenditures	2000	2001	2002	2003	2004	2005
Erwin	\$2,819,986	\$9,435,606	\$5,539,365	\$4,341,866	\$4,425,415	\$4,461,032
Painted Post	\$1,388,188	\$3,644,988	\$1,668,124	\$1,516,436	\$1,728,070	\$1,598,475

	2006	2007	2008	2009	2010	2011	2012
	\$4,783,428	\$4,947,774	\$8,513,869	\$6,182,748	\$6,696,931	\$7,672,762	-
	\$1,708,298	\$1,868,378	\$1,930,663	\$1,896,301	\$1,993,488	\$2,262,114	\$2,381,023



Source: Office of the State Comptroller and Town and Village Budget Data for years prior to 2009 are from the OSC website. Data for 2009-2011 are from the Town and Village budgets.

Notes to Chart:

1. The spike in Town expenditures in 2001 was mostly due to drastically increased highway spending, jumping from \$.8 million in 2000 to \$6.6 million in 2001.
2. The spike in Village expenditures in 2001 can be attributed to two main causes:
 - A major upgrade to the Village building, which was billed to Fire Protection. The building houses the administration, police and fire, but the upgrade was primarily to enlarge fire department space.
 - A larger sewer expenditure than past or subsequent years (\$1,610,590 in 2001, as opposed to \$181,020 in 2000 and \$238,911 in 2002). The sewer systems received an upgrade in 2000-2001.
3. There was a spike in Town expenditures in 2008 connected to an increase in Sewer spending.
4. There are discrepancies between data sources (municipal budgets and OSC website) about the actual expenditures in 2009.

Expenditures have been increasing in both municipalities, but the increase is steeper in the Town.

Taxable Assessed Value	2000	2001	2002	2003	2004	2005	2006	2007	2008
Erwin TOV	\$279,756,389	\$298,087,950	\$323,724,778	\$345,848,610	\$356,695,452	\$349,974,686	\$358,206,207	\$375,106,294	\$391,453,490
Painted Post	\$69,628,912	\$71,290,953	\$70,612,232	\$68,800,664	\$67,439,021	\$69,281,075	\$68,533,530	\$68,427,632	\$68,332,961
Combined	\$349,385,301	\$369,378,903	\$394,337,010	\$414,649,274	\$424,134,473	\$419,255,761	\$426,739,737	\$443,533,926	\$459,786,451

	2009	2010
	\$422,654,315	\$434,109,336
	\$68,502,264	76,181,113
	\$491,156,579	\$510,290,449

Village of Paint Post and Town of Erwin - Fiscal Data

Budgeted Expenditures and Tax Levies - FY 2011				
	Total Budgeted Expenditures	% of Total	Tax Levy	% of Total
Village	\$2,262,114	23%	\$1,282,741	25%
Town	\$7,672,762	77%	\$3,881,216	75%
Townwide	\$2,627,456	26%	\$1,123,558	22%
General	\$1,955,474	20%	\$1,073,389	21%
Highway	\$671,982	7%	\$50,169	1%
TOV	\$1,801,990	18%	\$1,360,825	26%
General	\$193,050	2%	\$80,885	2%
Highway	\$1,608,940	16%	\$1,279,940	25%
Special Districts/Other*	\$2,722,371	27%	\$877,388	17%
Separate Fire Districts**	\$520,945	5%	\$519,445	10%
Total	\$9,934,876	100%	\$5,163,957	100%

*Include Drainage, Fire Protection District, and Lighting Districts. Consolidated Health (\$11,424) not included.

**CPLA and FVGM Fire Districts

Note: \$64,388 discrepancy still to be resolved.

Source: 2010-2011 Village Budget, 2011 Town Budget

Painted Post and Erwin - Local Tax Rate Complexity Table

Complexity of Local Tax Rates (Tax Rate per \$1000 AV for FY 2011)				
	Village Tax Rate	Village Levy	TOV Tax Rate	Town Levy
County	\$9.07	\$46,002,435	\$6.08	\$46,002,435
School				
Corning/Painted Post	\$23.16		\$23.16	
Addison	-		\$19.69	
Campbell-Savona	-		\$19.14	
Town	\$2.78	\$2,548,771	\$2.78	\$2,548,771
Town General				
Town Highway				
Village	\$17.74	\$1,282,741	-	-
Town Outside Village	-		\$2.60	\$2,548,771
TOV General				
TOV Highway				
Fire				
Coopers Plains Long Acres				
FD	-		\$1.35	\$136,500
Forest View Gang Mills FD	-		\$1.01	\$382,945
Fire Protection District*	-		\$1.56	\$75,735
Lighting				
Morningstar LGT	-		\$0.37	\$2,900
Steuben Village LGT	-		\$0.81	\$1,000
Aurene LGT	-		\$0.16	\$5,200
Aurene Park	-		\$0.65	\$21,500
Erwin Water	-		\$0.07	\$14,102
Erwin Sewer	-		\$0.22	\$41,040
Stream Management	-		\$0.10	\$51,113
Epic Bridge (Corning Inc.)	-		\$690.93	\$588,013
Sewer IMP (Corning Inc.)	-		\$5.77	\$193,284
Water IMP (Corning Inc.)	-		\$7.16	\$526,656

*Town of Erwin contracts with Coopers Plains Long Acres FD and Forest View Gang Mills FD to provide services in the fire protection district.

Note: \$64,388 discrepancy still to be resolved.

Source: 2010-2011 Village Tax Bill, 2011 County & Town Tax Bill, Steuben County Property Tax Service Agency

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Administrative/Finance and Water Sales Review

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Scope

- Identify opportunities to combine/cut costs in the administrative functions (mayor, trustees, clerks) of the village and town while maintaining services
- Examine impact of water sales to Village

Administrative Review

Admin Research

- Unless the village is “dissolved” the current mayoral system has to remain in place
- Village administrative cost (excluding operational supervision) is fairly low ~\$50K
- Some opportunities do remain though with the clerks. Current combined total of clerks equal 5 (Village & Town) 1.5 Village & 3.5 Town
- If the Village is dissolved there is the potential to go to 3 full time admin personnel (reduction of ~ \$65K)
- If a shared services approach is used the potential reduction is .5 FTE for both the Village and Town resulting is ~\$20K savings
- See reference sheets for actual people/salary details
- As long as the Village has a mayor we recommend maintaining some form of a direct clerk support structure (could be shared)

AdminCost/Savings

As Is	Shared Services	Consolidation	Dissolution
Village \$51,367	Town \$355,231	Village \$47,330	Village \$0
Mayor	Town \$340,026	Town \$340,026	Town \$340,026
(3) trustees	Reduce both part time Clerks	Same as Shared services	Reduce all of admin structure
(1.5) Clerks	Town Mingr Asst. Mingr (4) Councilmen (3.5) Clerks Book keeper		

- Note need to maintain Village structure until dissolution; therefore minimal cost savings

Water Sales Review

Potential Impact of Water Revenue on the Village

Village is currently negotiating with two customers for sale of water. Dollar calculations are based off of Erwin's contract with ERM LLC. Village and Town will not cost compete to sell water.

- Water sells @ \$.0145/gal; minimum charge is \$750/day if no water is taken ~\$275K/yr—since Village is looking @ 2 customers this number should be doubled (\$550K)
- The Village has been permitted to pump up to 1,000,000 gals/day; maximum potential revenue would be in excess of \$5M/yr.
- Because we are a “Village” this money can be used in the general fund and not restricted like the Town’s water sales
- Rebuilding the Village’s water infrastructure would most likely have first priority

Water Information

- Erwin currently is selling water and is planning a rail siding project to help transport the water
- The Village water system is connected to Erwin's system but lacks the head pressure to feed into the system unless Erwin's system is down
- Village water is said to be unusable (magnesium dioxide) in the Erwin system because of GLW manufacturing concerns
- The issue of the Village's water not being sufficiently "clean" therefore rendering it unsuitable for GLW plants in Erwin may not be the case.
- Village is appointing a "project manager" to head-up the water sales project
- Current village plan is to utilize the ~~RR~~ rail siding to transport the water and truck if necessary
- Village plans to start sales nlt January 2012

Recommendations Summary

- Determine how long the water sales may be viable—if less than 3 yrs move to consolidation approach.
- If water sales is greater than 3 years insure that “village” designation is maintained during the sales period so the generated revenue can be used for **general funds as well as water and sewer upgrades**
- Work closely with the Village, Erwin and GLW to factually determine if the Painted Post water is useable in the Erwin system
- Organize the Village water project to determine best system to transport the water to the customer i.e rail, truck (may be least desirable) or utilization of Erwin’s rail system: best answer is to transport it by pipe to Erwin’s site (may not be feasible)
- If the current mayoral system is maintained some form of administrative support for the Village would be necessary (could be shared)
- Eliminate both half time clerk positions at the Village and Erwin and start to develop a shared service approach for the next three years

Reference Material

Village Administrative Structure &

Salaries

•	Village		
•			
•	Executive	Mayor	Crozier
•			\$1292
•			
•			
•			
•			
•	Trustees		
•		Hagerman	\$861
•		Lewis	\$861
•		Scheidweiler	\$861
•			
•			
•			
•			
•	Clerk/treasurer	Names	\$43455
•	PT Clerk	Smith	\$4037

Town Administrative Structure & Salaries

•	Supv	Erwin	\$13977	
•	Mngr	McCarthy	\$91352	
•	Asst	Sprague	\$54508	
•	PT Clerk	Hill	\$12967	
•				
•				
•	Trustees	Baker	\$9518	
•		Curreri	\$9518	
•		Roush	\$10915	
•		Strzegowski	\$9518	
•				
•				
•	Bookkeeper	Shepard	\$39167	
•	Clerk	Creeley	\$57433	
•	Clerk	Fisher	\$31153	
•	Clerk	Witmer	\$15205	

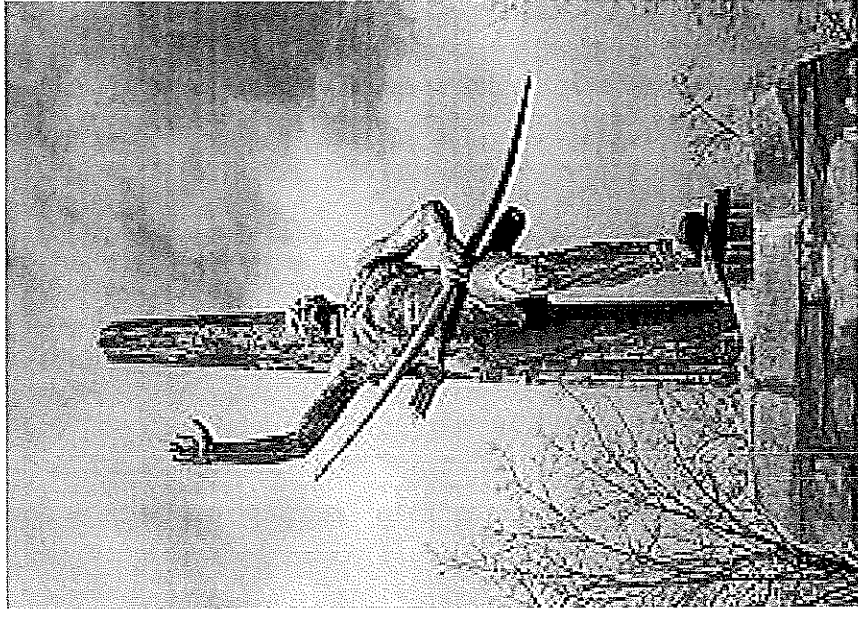
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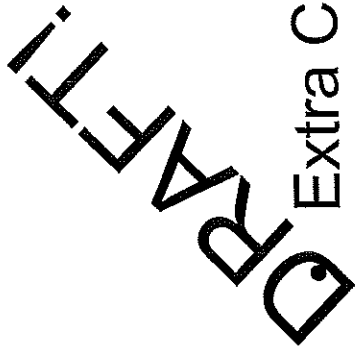
Village of Painted Post & Town of Erwin Study

Infrastructure and Facilities
Subcommittee

Bill Scheidweiler, Phil Roche, Bill Wood

7 July 2011





Water

Extra Capacity at both Village and Town

- V typically pumping at 10% capacity
 - 260 kgal/day typical, 2.5 Mgal/day capacity
 - 3 wells, typically uses only one.\
 - 14% of pumped water is lost
- T typically pumping at 20% capacity
 - 400-500 kgal/day typical, 2.5Mgal/day capacity
 - 5 wells, 6 tanks
- T infrastructure 1960s-1970s vintage
 - 14" water mains
- V infrastructure consists largely of museum pieces
 - 4" mains
- Village Water Dept maintains Craig Park Pool, with Town assistance

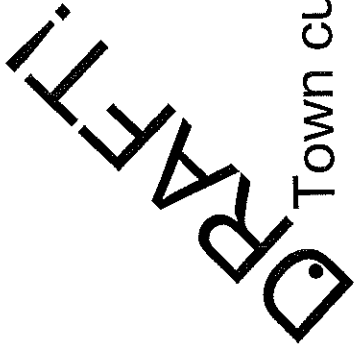
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Water (2)

- Village water quality lower than Town
 - V has high levels of manganese
 - Town water does not
- Village would benefit from eventually switching to Town water supply
- Perhaps Town could sell Village water, keep Town water for residents and Corning Inc.

Water (3)

- Significant overcapacity exists in T and V
- V supplies water to Riverside and does contract repairs and maintenance.
- V assists City of Corning with water issues.
- V is connected to T water supply as backup source for T. GLW does not want to use V water.
- Village infrastructure needs improvements (possibly 4-5 MM\$) regardless of decision.
 - 12000 ft of 4" mains need replacement



Water Revenue

Town currently selling water to ERM LLC

- Has railroad project on Mulholland Drive for water delivery
- Expected revenue is \$50 - \$100K per month, according to Dave Erwin.
 - Sales will be variable and seasonal
- State constitution restricts revenues from water sales in Towns to stay in water districts
 - Cities and Villages are exempt, can use revenues in general funds
 - However, this is not a problematic limitation for the Town, can be worked around
 - Not a sufficient reason by itself to keep the Village government in place

Water Recommendations

Village cannot use Town water without significant engineering work first

- Many hydraulic issues to solve
- Recommend phased approach
 - Consolidate Water Departments first
 - Start engineering study to switch V to T water
 - Sell V water for industrial use
- Staffing decisions should keep in mind that antiquated Village equipment requires special expertise
 - Laying off entire Village Water Dept. might not a good idea

Sewer

Village uses anaerobic water treatment

- New Chesapeake Bay watershed requirements add \$30 K/ yr cost to Village operation.
- Village storm sewers are starting to fail.
- Town has more modern, aerobic equipment
 - 1.75 Mgal/day capacity, at 700 kgal/day
 - 40% of this is industrial
 - Keeps two tanks operational, using only one
 - Waste pressing equipment used only 2 days/week
 - Town plant could easily handle Village sewage

BOARD Sewer Recommendations

Switching Village sewage to Town plant requires significant engineering

- Phased approach is recommended
 - Consolidate V and T Sewer Departments
 - Begin engineering study to send V sewage across the river
 - Eventually shut down V sewer plant (or keep for additional industrial capacity if needed, seems unlikely)

Water and Sewer Staffing and Equipment

• Village has two guys licensed for both water and sewer

- Town has five
- Village has 3 dump trucks, 3 pickup trucks, a van, a bucket truck, a sewer truck, a street sweeper and two lawnmowers, housed in a 300' x 60' building

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Village Hall

- Possible uses for Village Hall likely do not include Town Court.
- Final arrangements for Town Hall still pending, but ...
 - Dunne Commission sets state requirements for courts:
 - VH too small – need 100 people capacity, ample parking
 - Erwin Town Court is very busy, 2nd busiest in Steuben County
 - VH could house sheriff or state police satellite office

Identifying the Impact of the Proposed Change

Type of Change	Brief Description of What Changes	\$ Estimate if possible
Consolidate water and sewer departments	One supervisory position can be eliminated. One labor position might be eliminated.	\$77K - \$154K/year, depending on number of eliminated positions