
OPTIONS FOR THE VILLAGE OF PORT HENRY

*Identification and Evaluation of Viable Alternatives
for Delivering the Services and Functions Provided by Port Henry*

*The “Options” Report
Prepared for the Dissolution Steering Committee*

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INTRODUCTION

This report identifies and evaluates viable alternatives for delivering Village services and functions in the event the Village of Port Henry dissolves. It builds upon the earlier report, *How the Village of Port Henry and the Town of Moriah Currently Provide Municipal Services*. The Committee was assisted by the Center for Governmental Research (CGR), the study consultant, in developing this “Options” Report.

We point out that we do not focus on additional sharing of services as a viable alternative for reducing the taxpayer burden for the following reasons:

- The primary services that would be potential candidates are already consolidated. These include police; assessor; justice court; wastewater treatment; animal control; and marriage, fishing, hunting, and dog license services.
- Some key Village services – refuse pickup & recycling and sidewalk snow removal – cannot be consolidated as part of shared service agreements because they are offered only by the Village.
- CGR identified only one major area that could potentially result in significant cost savings for the community through additional service sharing, and found, upon additional research, that the necessary changes required would, in our judgment, be cost prohibitive to achieve. The question we asked was – Would having only one water filtration plant and water system, instead of two plants and separate water systems, be a fiscally responsible option for the community to consider? CGR turned to AES Northeast of Plattsburgh, which provides engineering services to both the Village and Town, to provide an initial assessment of what would be involved to create one system. AES’ report, which appears at the end of this document, shows that the cost of such a change – estimated at \$2.4 million – would be a major capital expense that we believe cannot be justified at this time.

Since we believe there are no other significant savings that can be achieved through additional service sharing, the remainder of this Options Report focuses on the dissolution of the Village. What happens if the Village dissolves is that Village services can either be picked up by the Town or eliminated. The way to think about this is to consider the Town as being a combined entity, what we call the “New Town.”

Projected “New Town” Expenditures

Before considering any changes that could result from dissolution, we first project combined New Town expenditures, as follows:

Village (based on the 2009-10 budget)

- Includes all general fund expenditures (\$776,331)
- Excludes water fund and sewer fund expenditures, since sewer and water charges are separate and are not part of the tax bill (\$727,414).

Town (based on the 2009 budget)

- Includes Townwide general fund expenditures (\$1,681,858)
- Includes Town-outside-Village (TOV) general fund expenditures (\$24,280)
- Includes Townwide highway fund expenditures (\$617,204)
- Includes TOV highway fund expenditures (\$351,892)
- Excludes fire protection expenditures for TOV residents residing outside the Moriah and Mineville-Witherbee Fire Districts (\$54,000). (Note: The Moriah and Mineville-Witherbee fire districts set their own budgets and the Town merely acts as tax collector, thus fire district bills also do not impact New Town expenditures.)
- Excludes water and sewer fund expenditures, since water and sewer charges (if applicable) are separate and are not part of the tax bill (\$964,539)

The chart below puts the above information in chart format, and shows total projected New Town expenditures of \$3,451,565.

Projected "New Town" Expenditures			
	General	Highway	Total
Town	\$1,681,858	\$617,204	\$2,299,062
Town TOV	\$24,280	\$351,892	\$376,172
Sub-Total Town and TOV	\$1,706,138	\$969,096	\$2,675,234
Village	\$464,101	\$312,230	\$776,331
Sub-Total Town and Village	\$2,170,239	\$1,281,326	\$3,451,565

The new \$3.45 million expenditure line can then be reduced by cost impacts that we describe in the next sections of the report. We begin by describing our overall approach, then show a) potential savings, b) our calculation of the cost impact, c) our calculation of the tax impact, and d) tables summing up what it all means to taxpayers in the Town of Moriah, whether they live inside or outside the Village.

Village Dissolution & the Impact on “New Town” Expenditures

Committee members asked CGR to develop projections of cost savings and cost impacts of dissolution based on three different scenarios. The scenarios – which would result in high, medium and low- level changes to a “New Town” budget – take into account the following:

- **Efficiencies** – These are due to reduced spending on personnel, equipment, insurance, etc. as a result of dissolving the Village
- **Reductions in Services** – There are only two services identified for possible reduction: a) refuse pickup & recycling and b) sidewalk snow removal. Only one scenario calls for

eliminating these services. In the other two scenarios, the services would continue but as special districts.

- **Special Districts** – These include services currently provided by the Village that either definitely would or could continue under the consolidated government as special districts. Village residents would see no change in these services if dissolution occurs, but the costs of providing three specific services (water, sewer, fire) and, depending on the scenario, potentially three other services (refuse/recycling; sidewalk snow removal, street lighting) would appear as separate charges on tax bills, except sewer and water would continue to be billed separately.
- **Use of Village General Fund Balance** – This addresses how the Village’s general fund balance, which totaled about \$330,000 on June 1, 2009, could be used to pay off existing Village debt (excluding debt associated with the Port Henry Fire Department) and also pay for ongoing obligations for Village retirees.

Note: There are three other Village fund balances: water (\$78,000), sewer (\$103,000) and joint sewer (\$88,000) and we specifically address below how they would be used.

Scenario One: “High” Impact on New Town Budget

Definition: This scenario projects the highest impact on the New Town budget that could result from proposed cost savings, service reductions, or creation of special districts. This scenario includes the following:

Service Reductions

- Eliminate refuse pickup and recycling – residents would take refuse to the Town’s transfer station or pay private haulers for refuse/recycling service
- Sidewalk snow removal – no longer provided, with residents becoming responsible for their own sidewalks

Cost Savings

- \$25,500 = elimination of refuse/recycling service in the Village
- \$ 6,000 = elimination of sidewalk snow removal in the Village
- \$65,000 = loss of 1 FTE staff in DPW and sale of one truck in the combined Village/Town fleet
- \$31,964 = elimination of Village mayor and the four trustee positions and some related expenses (e.g., insurance, legal)
- \$47,105 = loss of 1 FTE employee and 1 PT employee from combined Village and Town Clerk/Treasurer staff
- \$9,600 = operating costs saved by selling the Village Hall (any revenues from the sale would be additional but have not been factored into our analysis since they are unknown)

Note: Additional cost savings could potentially be achievable, CGR believes, if the consolidated government adopted a Townwide DPW structure, whereby highway, water, sewer and potentially other services would be under one superintendent. There are, however, numerous issues to consider, including whether an elected or appointed superintendent would be more beneficial for the community. Because of such considerations, and the fact that design of a Townwide DPW falls outside the scope of this study, we have not factored this organizational structure into our analysis. We note that the overall Dissolution Study is a study for the Village, conducted with a NYS grant and a 10% match from the Village. The Town is cooperating in the study.

Village Services Provided through Special Districts - No Change in Cost Impact

- Water - the former Village would become a water district and the Village water debt and water fund balance at the time of dissolution would stay with this district.
- Sewer – the former Village would become a sewer district and the Village sewer debt and fund balance at the time of dissolution would stay with this district.
 - **Note:** Currently the Wastewater Treatment Plant (WWTP) is jointly owned by the Village and Town, and the Village is the fiduciary agent of the joint plant. The costs for the entire system (pipes plus WWTP) are paid by user fees collected from the Town Sewer District (which we refer to as Sewer District 1) and the Village. The Village currently collects revenues from the Town and Village’s individual sewer funds under a pre-determined allocation agreement by which costs are now divided 65% Town (Sewer District 1) and 35% Village. The user fees between Sewer District 1 and the Village are different primarily because the debt payments are different – the Sewer District 1 outstanding debt balance (principal only) as of 9/30/09 is \$2,612,214 compared with the Village sewer outstanding debt (principal only) of \$2,315,231. These debt balances will be paid off in 2038. Upon dissolution of the Village, the area within the former Village would be designated as Sewer District 2. All current sewer assets of the Village will become assets of Sewer District 2. The Town will administer Sewer District 2 as an independent sewer district, continuing to fund the WWTP on a 65%/35% split between Sewer District 1 and Sewer District 2. Thus, dissolution would have no impact on sewer and sewer treatment services or costs to either Sewer District 1 properties or former Village properties in Sewer District 2. At such time in the future where costs between the two districts can be equalized, the Town should consider combining the sewer districts into one single district with a unified rate.
- Fire Services – the area in the existing Village would become either a fire district or fire protection district. The long-term liability for the new Village Fire Department pumper (a 2009 lease/purchase with \$291,000 outstanding as of 9-30-09) would transfer to the new district.
- Street Lighting

Creation of Village Debt Service District & Obligations Covered by Village Fund Balance

- Upon dissolution, a Village Debt Service District would be created and the Village general fund balance would be used to:
 - Pay off any non-fire related Village debt, which at the time of dissolution would = \$13,516 due on a dump truck.
 - The remainder will be spent to pay ongoing obligations for Village retirees who are receiving health benefits. The fund balance would cover these costs (\$26,000 annually) for approximately 12 years.

Village Services That Continue in Consolidated Government – No Cost Savings or Districts

- Code enforcement
- Beach/campground – the Village beach/campground, like the Town beach/campground, would become a Town asset
- Support for youth programs, library, and Labor Day celebrations – \$3,000 for each is currently budgeted by the Village, would be part of the consolidated government expense

Scenario Two – “Medium” Impact on New Town Budget

Key Differences from High-Impact Scenario:

- Maintain refuse/recycling in Port Henry – billed as a special district charge
- Maintain sidewalk snow removal in Port Henry – billed as a special district charge
- Fewer staff reductions (none in DPW, only 1 FTE in Clerk/Treasurer function)
- Keep existing Village Hall to use as Town court and police facility

Scenario Three – “Low” Impact on New Town Budget

Key Differences from Medium-Impact Scenario

- Only staff reduction is 1 PT clerk in the existing Town
- Cost of street lighting in Port Henry becomes a Townwide charge – mirroring how the Town currently allocates costs for street lighting in the TOV

Sum of the Savings – Based on Each Scenario

Summary of Changes to the "New Town" Budget			
Scenario	1	2	3
Costs Moved To Special Districts	\$114,341	\$145,841	\$157,468
Efficiencies	\$153,669	\$89,569	\$41,464
Reduced Services	\$31,500	\$0	\$0
Use of Fund Balance	\$40,627	\$40,627	\$0
Decrease to "New Town" Budget	\$340,137	\$276,037	\$198,932

As the chart above shows, cost savings to the New Town Budget would range from a high of \$340,137 to a low of \$198,932, depending upon the scenario selected. However, there are different options that can be considered. As the grid on the next page shows, it is possible to pick from different columns, and not adhere to the three scenarios we have outlined.

Descriptions of Scenarios and Decreases to "NEW TOWN" Budget

Scenario One - Highest Level of Changes (costs moved to special districts, cost savings, reduced services)

Scenario Two - Medium Level of Changes

Scenario Three - Lowest Levels of Changes

	Scenarios			Key To Color Codes
	One	Two	Three	Efficiencies Special Districts Reductions in Services Use of Fund Balance
DPW				
	\$65,000			Scenario One - Lose one FTE (\$55,000) and one Truck (\$10,000)
		\$20,000		Scenario Two - Lose \$10,000 in overtime and one truck (\$10,000)
			\$0	Scenario Three - No cost savings
Board				
	\$31,964			Scenario One - Board \$27,689, insurance \$3000, \$1,000 legal, \$275 misc
		\$31,964		Scenario Two - Same
			\$31,964	Scenario Three - Same
Clerk/Treasurer				
	\$47,105			Scenario One - lose one full time (\$31,605) and one PT (\$3,500), plus \$12,000 in general administration contractual expense
		\$37,605		Scenario Two - lose 1 FTE (\$31,605) + \$6000 in general admin
			\$9,500	Scenario Three - lose only PT clerk \$3,500 and \$6000 general admin
Village Hall				
	\$9,600			Scenario One - Sold to third party, relieves \$9,600 in operating costs
		\$0		Scenario Two - No cost savings, used by Town
			\$0	Scenario Three - No cost savings, used by Town
Refuse/Recycling				
	\$25,500			Scenario One - No Refuse/Recycling collection services (\$25,500)
		\$25,500		Scenario Two - becomes special district charge
			\$25,500	Scenario Three - becomes special district charge
Street Lighting				
	\$29,000			Scenario One - becomes special district charge (\$29,900)
		\$29,000		Scenario Two - becomes special district charge
			\$0	Scenario Three - becomes townwide cost as per existing Town lighting situation
Village Debt Service District (+retiree liabilities)				
	\$40,627			Scenario One - Village retires all general debt from fund balance of general fund, eliminating debt service (\$14,627). All remaining General Fund balance is used to pay for ongoing retiree obligations of \$26,000 per year.
		\$40,627		Scenario Two - Village retires all general debt from fund balance of general fund, eliminating debt service (\$14,627). All remaining General Fund balance is used to pay for ongoing retiree obligations of \$26,000 per year.
			\$40,627	Scenario Two - all debt service (\$14,627) and retiree liability (\$26,000) gets put in debt service district
Sidewalks Snow Removal				
	\$6,000			Scenario One - Sidewalk snow removal (est. \$6,000) services are no longer provided.
		\$6,000		Scenario Two - become special district charges
			\$6,000	Scenario Three - become special district charges
Fire Services				
	\$85,341			Scenario One - Fire services (\$53,000) and fire truck lease obligation (\$32,341) move to new district
		\$85,341		Scenario Two - Fire services (\$53,000) and fire truck lease obligation (\$32,341) move to new district
			\$85,341	Scenario Three - Fire services (\$53,000) and fire truck lease obligation (\$32,341) move to new district
Totals				
	\$340,137			Scenario One - Total decrease to "New Town Budget"
		\$276,037		Scenario Two - Total decrease to "New Town Budget"
			\$198,932	Scenario Three - Total decrease to "New Town Budget"

Special Districts			
Refuse/Recycling	\$0	\$25,500	\$25,500
Lighting	\$29,000	\$29,000	\$0
Sidewalks Snow Removal	\$0	\$6,000	\$6,000
Village Debt Service District	\$0	\$0	\$40,627
New Fire Services (Fire District #3 or Fire Protection District #2)	\$85,341	\$85,341	\$85,341

Total New Special Districts	\$114,341		Scenario One
		\$145,841	Scenario Two
			\$157,468 Scenario Three

Total Cost Savings from Efficiencies and Reduced Services (Cost savings minus costs moved to special districts)	\$225,796		Scenario One
		\$130,196	Scenario Two
			\$41,464 Scenario Three

Cost Impact of Dissolution

To calculate the cost impact of dissolving the Village three things need to be taken into account:

- Cost of reductions - as shown earlier, these range from a low of \$198,932 to a high of \$340,137.
- Impact on existing revenues received by the Village – CGR did not identify any existing revenues that would be reduced or eliminated if the two governments become one.
- Additional AIM funding for consolidating – AIM (Aid and Incentives to Municipalities) is state unrestricted aid, and the State provides incentives for governments to consolidate, known as new AIM. The incentive that would most benefit the community would result in the consolidated municipality receiving a one-time addition to annual aid equal to 15% of the combined property tax levy. CGR shows the impact of the incentive for the Moriah/Port Henry community below.

Calculation (using Fiscal Year 2009 tax levies):

\$450,631 (Village levy) + \$1,573,370 (Town levy) = \$2,024,001

15% of \$2,024,001 = \$303,600 additional funding.

\$303,600 + \$68,038 (Town AIM) + \$10,000 (Village AIM) =
Total funding for the FIRST year = \$381,638

Note: This is an indefinite funding stream, and future annual percentage increases from NYS are to be based upon the first year's total AIM payment of \$381,638.

Net fiscal change

Depending on which scenario is selected (or choices made from the large grid shown on previous page), and whether or not you believe the State will be able to provide new AIM as shown above, the net fiscal change of dissolving the Village ranges from:

- Cost savings of \$198,932 (cost reductions and no new AIM) – “worst case”
to
- Cost savings of \$643,737 (the \$340,137 in cost reductions + \$303,600 in new AIM) – “best case”

Tax Impact of Dissolution

The next issue to address is how the costs of the New Town get spread across the nearly \$186 million taxable assessed value (2009) of the Town, given 24% of the taxable assessed value is in the Village and 76% in the TOV. We calculate there will be some shifts in costs for current Village taxpayers, and also some shift in costs for current TOV taxpayers. Based on the three scenarios, the range of shifts is shown in the chart “New Town Tax Levy and Rates” below.

As the chart shows, the tax rates across the Town, after dissolution, would range between:

- *Best case:* \$9.07 per \$1,000 assessed value
 - Assumes the highest impact scenario – Scenario One – and receipt of new AIM
- *Worst case:* \$11.46 per \$1,000 assessed value
 - Assumes the lowest impact scenario – Scenario Three – and no new AIM

"New Town" Tax Levy and Rates			
	General	Highway	Total
Total "New Town" Expenditures			
Scenario One	\$1,955,602	\$1,155,826	\$3,111,428
Scenario Two	\$1,974,702	\$1,200,826	\$3,175,528
Scenario Three	\$2,002,807	\$1,249,826	\$3,252,633
Non-Property Tax Revenue			
Town (1)	\$693,889	\$251,975	\$945,864
Village (2)	\$151,050	\$25,500	\$176,550
Total	\$844,939	\$277,475	\$1,122,414
Required Property Tax Levy - Without Additional AIM			
Scenario One	\$1,110,663	\$878,351	\$1,989,014
Scenario Two	\$1,129,763	\$923,351	\$2,053,114
Scenario Three	\$1,157,868	\$972,351	\$2,130,219
Required Property Tax Levy - With Additional AIM			
<i>Additional AIM (3)</i>	\$303,600	\$0	\$303,600
Scenario One	\$807,063	\$878,351	\$1,685,414
Scenario Two	\$826,163	\$923,351	\$1,749,514
Scenario Three	\$854,268	\$972,351	\$1,826,619
Projected Tax Rates - Without Additional AIM			
Taxable Assessed Value	\$185,836,094		
Scenario One	5.977	4.726	10.703
Scenario Two	6.079	4.969	11.048
Scenario Three	6.231	5.232	11.463
Projected Tax Rates - With Additional AIM			
Taxable Assessed Value	\$185,836,094		
Scenario One	4.343	4.726	9.069
Scenario Two	4.446	4.969	9.414
Scenario Three	4.597	5.232	9.829

(1) In 2010, the Village & Town will begin receiving an allocation of County' sales tax receipts. If the Village dissolves, the Town would receive the Village's allocation. Since dissolution will not affect the total amount of sales tax revenue, it is not considered in above analysis.

(2) Non-property tax sources of revenue that would transfer to the Town - campground receipts, PILOTs, fees, franchise fees, state aid.

(3) CGR estimates that the Town will receive an additional \$303,600 in AIM incentives in the year following dissolution.

What Does This Mean for Me?

Assuming current budgets, the three scenarios, new special district charges for former Village residents after dissolution, and with or without new AIM, we show in the chart “Summary of Town and Village Tax Rates Before and After Dissolution,” the impact on taxpayers.

Village

Current tax rate is \$16.76 per \$1,000 assessed valuation. After dissolution range would be between:

- *Best case:* \$11.60 per \$1,000 – a reduction of 30.8%
 - Assumes the highest impact scenario (one) and new AIM
- *Worst case:* \$14.95 per \$1,000 assessed value – a reduction of 10.8%
 - Assumes the lowest impact scenario (three) and no new AIM

Town-outside-Village

Current tax rate is \$8.98 per \$1,000 assessed valuation. After dissolution range would be between:

- *Best case:* \$9.07 per \$1,000 – an increase of 1%
 - Assumes the highest impact scenario (one) and new AIM
- *Worst case:* \$ 11.46 per \$1,000 assessed value – an increase of 27.6%
 - Assumes the lowest impact scenario (three) and no new AIM

Summary of Town and Village Tax Rates Before and After Dissolution							
	Current	With AIM			Without AIM		
		One	Two	Three	One	Two	Three
Village tax	\$ 9.87	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town tax	\$ 4.51	\$ 4.34	\$ 4.45	\$ 4.60	\$ 5.98	\$ 6.08	\$ 6.23
Town Highway tax	\$ 2.38	\$ 4.73	\$ 4.97	\$ 5.23	\$ 4.73	\$ 4.97	\$ 5.23
Town TOV tax (hwy. & general)	\$ 2.09	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special District Tax Rates for Former Village Residents							
Refuse/Recycling Collection District tax	\$ -	\$ -	\$ 0.57	\$ 0.57	\$ -	\$ 0.57	\$ 0.57
Lighting District tax	\$ -	\$ 0.64	\$ 0.64	\$ -	\$ 0.64	\$ 0.64	\$ -
Sidewalks Snow Removal District tax	\$ -	\$ -	\$ 0.13	\$ 0.13	\$ -	\$ 0.13	\$ 0.13
Debt Service District tax	\$ -	\$ -	\$ -	\$ 0.90	\$ -	\$ -	\$ 0.90
Fire District/ Fire Protection District tax	\$ -	\$ 1.89	\$ 1.89	\$ 1.89	\$ 1.89	\$ 1.89	\$ 1.89
Total Special District Rates	\$ -	\$ 2.54	\$ 3.23	\$ 3.49	\$ 2.54	\$ 3.23	\$ 3.49
Comparison of Current to Future Town and Village Rates							
Village Residents	\$ 16.76	\$ 11.60	\$ 12.65	\$ 13.32	\$ 13.24	\$ 14.28	\$ 14.95
TOV Residents	\$ 8.98	\$ 9.07	\$ 9.41	\$ 9.83	\$ 10.70	\$ 11.05	\$ 11.46

Note: The tax rates in the chart do not factor in the following rates/fees: Port Henry sewer or water charges, or TOV fire district/fire protection, water and sewer charges, if applicable. Sewer and water are not part of tax bills, because they are billed separately. We do not list fire district/ fire protection tax rates in the TOV because there are several variables, depending on where residents live. We point out that dissolving the Village would have zero impact on sewer, water, and TOV fire district/fire protection rates/fees.

Based on a Home Assessed at \$100,000 What Would the Impact Be?

The charts below summarize – for each scenario and with or without AIM – how taxes for a home assessed for \$100,000 would change for taxpayers in the Village or in the TOV.

Village

Current tax bill = \$1,676

Change in tax bill = reductions ranging from \$516 (best case) to \$181 (worst case)

Town-outside-Village

Current tax bill = \$898 (fire district or fire protection tax rate would be additional)

Change in tax bill = increases ranging from \$9 (best case) to \$248 increase (worst case)

The charts below provide additional detail:

Scenario One With AIM					
Current Village Resident			Current TOV Resident		
Current Tax	Proposed Changes	Proposed Tax	Current Tax	Proposed Changes	Proposed Tax
Per \$1000 of assessed value					
Village tax	\$ 9.87	\$ (9.87)	\$ -	\$ -	\$ -
Town tax	\$ 4.51	\$ (0.17)	\$ 4.34	\$ (0.17)	\$ 4.34
Town Highway tax	\$ 2.38	\$ 2.35	\$ 4.73	\$ 2.35	\$ 4.73
Town TOV tax (hwy. & general)	\$ -	\$ -	\$ 2.09	\$ (2.09)	\$ -
Refuse/Recycling Collection District tax	\$ -	\$ -	\$ -	\$ -	\$ -
Lighting District tax	\$ -	\$ 0.64	\$ 0.64	\$ -	\$ -
Sidewalk Snow Removal District tax	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service District tax	\$ -	\$ -	\$ -	\$ -	\$ -
Fire District/ Fire Protection District tax	\$ -	\$ 1.89	\$ 1.89	\$ -	\$ -
Total Tax Rate*	\$ 16.76	\$ (5.16)	\$ 11.60	\$ 8.98	\$ 9.07
* Town taxpayer also needs to add own fire tax					
Tax on Home Assessed for \$100,000	\$1,676	-\$516	\$1,160	\$898	\$907
Percentage Change in Tax	-30.8%		1.0%		

Scenario Two With AIM					
Current Village Resident			Current TOV Resident		
Current Tax	Proposed Changes	Proposed Tax	Current Tax	Proposed Changes	Proposed Tax
Per \$1000 of assessed value					
Village tax	\$ 9.87	\$ (9.87)	\$ -	\$ -	\$ -
Town tax	\$ 4.51	\$ (0.06)	\$ 4.45	\$ (0.06)	\$ 4.45
Town Highway tax	\$ 2.38	\$ 2.59	\$ 4.97	\$ 2.59	\$ 4.97
Town TOV tax (hwy. & general)	\$ -	\$ -	\$ 2.09	\$ (2.09)	\$ -
Refuse/Recycling Collection District tax	\$ -	\$ 0.57	\$ 0.57	\$ -	\$ -
Lighting District tax	\$ -	\$ 0.64	\$ 0.64	\$ -	\$ -
Sidewalk Snow Removal District tax	\$ -	\$ 0.13	\$ 0.13	\$ -	\$ -
Debt Service District tax	\$ -	\$ -	\$ -	\$ -	\$ -
Fire District/ Fire Protection District tax	\$ -	\$ 1.89	\$ 1.89	\$ -	\$ -
Total Tax Rate*	\$ 16.76	\$ (4.11)	\$ 12.65	\$ 8.98	\$ 9.41
* Town taxpayer also needs to add own fire tax					
Tax on Home Assessed for \$100,000	\$1,676	-\$411	\$1,265	\$898	\$941
Percentage Change in Tax	-24.5%		4.8%		

Scenario Three With AIM					
Current Village Resident			Current TOV Resident		
Current Tax	Proposed Changes	Proposed Tax	Current Tax	Proposed Changes	Proposed Tax
Per \$1000 of assessed value					
Village tax	\$ 9.87	\$ (9.87)	\$ -	\$ -	\$ -
Town tax	\$ 4.51	\$ 0.09	\$ 4.60	\$ 0.09	\$ 4.60
Town Highway tax	\$ 2.38	\$ 2.85	\$ 5.23	\$ 2.85	\$ 5.23
Town TOV tax (hwy. & general)	\$ -	\$ -	\$ 2.09	\$ (2.09)	\$ -
Refuse/Recycling Collection District tax	\$ -	\$ 0.57	\$ 0.57	\$ -	\$ -
Lighting District tax	\$ -	\$ -	\$ -	\$ -	\$ -
Sidewalk Snow Removal District tax	\$ -	\$ 0.13	\$ 0.13	\$ -	\$ -
Debt Service District tax	\$ -	\$ 0.90	\$ 0.90	\$ -	\$ -
Fire District/ Fire Protection District tax	\$ -	\$ 1.89	\$ 1.89	\$ -	\$ -
Total Tax Rate*	\$ 16.76	\$ (3.44)	\$ 13.32	\$ 8.98	\$ 0.85
* Town taxpayer also needs to add own fire tax					
Tax on Home Assessed for \$100,000	\$1,676	-\$344	\$1,332	\$898	\$983
Percentage Change in Tax		-20.5%		9.5%	

Scenario One Without AIM					
Current Village Resident			Current TOV Resident		
Current Tax	Proposed Changes	Proposed Tax	Current Tax	Proposed Changes	Proposed Tax
Per \$1000 of assessed value					
Village tax	\$ 9.87	\$ (9.87)	\$ -	\$ -	\$ -
Town tax	\$ 4.51	\$ 1.47	\$ 5.98	\$ 1.47	\$ 5.98
Town Highway tax	\$ 2.38	\$ 2.35	\$ 4.73	\$ 2.35	\$ 4.73
Town TOV tax (hwy. & general)	\$ -	\$ -	\$ 2.09	\$ (2.09)	\$ -
Refuse/Recycling Collection District tax	\$ -	\$ -	\$ -	\$ -	\$ -
Lighting District tax	\$ -	\$ 0.64	\$ 0.64	\$ -	\$ -
Sidewalk Snow Removal District tax	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service District tax	\$ -	\$ -	\$ -	\$ -	\$ -
Fire District/ Fire Protection District tax	\$ -	\$ 1.89	\$ 1.89	\$ -	\$ -
Total Tax Rate*	\$ 16.76	\$ (3.52)	\$ 13.24	\$ 8.98	\$ 1.72
* Town taxpayer also needs to add own fire tax					
Tax on Home Assessed for \$100,000	\$1,676	-\$352	\$1,324	\$898	\$1,070
Percentage Change in Tax		-21.0%		19.2%	

Scenario Two Without AIM					
Current Village Resident			Current TOV Resident		
Current Tax	Proposed Changes	Proposed Tax	Current Tax	Proposed Changes	Proposed Tax
Per \$1000 of assessed value					
Village tax	\$ 9.87	\$ (9.87)	\$ -	\$ -	\$ -
Town tax	\$ 4.51	\$ 1.57	\$ 6.08	\$ 1.57	\$ 6.08
Town Highway tax	\$ 2.38	\$ 2.59	\$ 4.97	\$ 2.59	\$ 4.97
Town TOV tax (hwy. & general)	\$ -	\$ -	\$ 2.09	\$ (2.09)	\$ -
Refuse/Recycling Collection District tax	\$ -	\$ 0.57	\$ 0.57	\$ -	\$ -
Lighting District tax	\$ -	\$ 0.64	\$ 0.64	\$ -	\$ -
Sidewalk Snow Removal District tax	\$ -	\$ 0.13	\$ 0.13	\$ -	\$ -
Debt Service District tax	\$ -	\$ -	\$ -	\$ -	\$ -
Fire District/ Fire Protection District tax	\$ -	\$ 1.89	\$ 1.89	\$ -	\$ -
Total Tax Rate*	\$ 16.76	\$ (2.48)	\$ 14.28	\$ 8.98	\$ 2.07
* Town taxpayer also needs to add own fire tax					
Tax on Home Assessed for \$100,000	\$1,676	-\$248	\$1,428	\$898	\$1,105
Percentage Change in Tax		-14.8%		23.0%	

Scenario Three Without AIM					
Current Village Resident			Current TOV Resident		
Current Tax	Proposed Changes	Proposed Tax	Current Tax	Proposed Changes	Proposed Tax
Per \$1000 of assessed value					
Village tax	\$ 9.87	\$ (9.87)	\$ -	\$ -	\$ -
Town tax	\$ 4.51	\$ 1.72	\$ 6.23	\$ 1.72	\$ 6.23
Town Highway tax	\$ 2.38	\$ 2.85	\$ 5.23	\$ 2.85	\$ 5.23
Town TOV tax (hwy. & general)	\$ -	\$ -	\$ 2.09	\$ (2.09)	\$ -
Refuse/Recycling Collection District tax	\$ -	\$ 0.57	\$ 0.57	\$ -	\$ -
Lighting District tax	\$ -	\$ -	\$ -	\$ -	\$ -
Sidewalk Snow Removal District tax	\$ -	\$ 0.13	\$ 0.13	\$ -	\$ -
Debt Service District tax	\$ -	\$ 0.90	\$ 0.90	\$ -	\$ -
Fire District/ Fire Protection District tax	\$ -	\$ 1.89	\$ 1.89	\$ -	\$ -
Total Tax Rate*	\$ 16.76	\$ (1.81)	\$ 14.95	\$ 2.48	\$ 11.46
* Town taxpayer also needs to add own fire tax					
Tax on Home Assessed for \$100,000	\$1,676	-\$181	\$1,495	\$248	\$1,146
Percentage Change in Tax	-10.8%		27.6%		

APPENDIX: AES NORTHEAST REPORT ON CREATING A SINGLE WATER SYSTEM

Initial Report of Findings for the Consolidation of Port Henry Water District with the Town of Moriah Water Districts #1 and #2

**Prepared by:
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November 6, 2009



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AES Project No. 3682

INITIAL REPORT OF FINDINGS FOR THE
CONSOLIDATION OF PORT HENRY WATER DISTRICT WITH THE
TOWN OF MORIAH WATER DISTRICTS #1 AND #2

November 6, 2009

1. BACKGROUND

The Village of Port Henry has contracted with the firm Center for Governmental Research (CGR) to evaluate the possible dissolution of the Village of Port Henry. As part of the evaluation process, AES Northeast was subcontracted by CGR to provide input into the consolidation of the Village of Port Henry and Town of Moriah water systems. The consolidation would be similar to the existing wastewater treatment plant, which is shared by both communities for wastewater treatment.

This report is based on a very limited review of the existing infrastructure that supports the Village of Port Henry and the existing water system that supports the Town of Moriah Water Districts #1 and #2. This report should be an Exhibit to the CGR report being provided to the Village for consideration by the Village Trustees.

2. PORT HENRY WATER SYSTEM

The Village of Port Henry utilizes a surface water supply which is taken from an impoundment on Bartlett Brook located adjacent to Cheney Road, approximately 7,500 ft. north of the current Port Henry water filtration plant. A raw water transmission main leaves the current impoundment area and travels southerly along Cheney Road until it reaches Switchback Road. From this point, it travels due south along Switchback Road until it exits the road through a field (north of Forge Hollow Road). The transmission main continues southerly across Forge Hollow Road until it discharges to an open reservoir at the water filtration plant.

Currently, the Village supplies residents of the Town of Moriah in the areas of Switchback Road, Forge Hollow Road and Elk Inn Road with raw water for domestic use. This is a direct violation of the Surface Water Treatment Rule (SWTR). The Town of Moriah officials are currently investigating alternatives and funding assistance to correct this violation, which does not involve the Village of Port Henry officials.

The open raw water reservoir acts as a “settling” basin prior to feeding a sand filter train manufactured by DualSand®, where the water is filtered in compliance with the Surface Water Treatment Rule (SWTR) criteria, disinfected and stored in an above ground 700,000 gallon pre-cast pre-stressed concrete storage tank, prior to a “gravity” feed distribution system to the Village users. During summer and fall months, the filtering process also utilizes an activated carbon filter to reduce disinfection by-products (DPB) caused by chlorination chemicals interaction with the organic matter found in surfacewater supplies.

The Village water system also serves the area known as Town of Moriah Water District #3 on the far southerly end of the Village limits (outside of the corporate boundaries of the Village of Port Henry) on NYS Routes 22 and 9N. Refer to Exhibit A.

The current water distribution system also provides water to Village residents located on Broad Street and Sherman Park Place (via a booster pump station located at the Broad Street/Sherman Park Place intersection). The booster pump station is necessary due to the lack of elevation to provide sufficient working pressures for the customers, as mandated by 10-State Standards. The existing water filter system capabilities coupled with the excellent operation by the water plant operators, provides the customers excellent water for domestic use and sufficient storage to meet the Insurance Services Office requirements and Needed Fire Flow (NFF) requirements. At the time of this report, actual current operating flow records were not available, but past history dictates that the flows are below the rated capacity of the filtration equipment (i.e., 350,000 gallons/day). However, CGR has received data that indicates the Village average day flow is 158,000 gallons with an all-time peak day of 430,000 gallons which is probably caused by a fire event or a major leak.

3. MORIAH

The Town of Moriah provides water for Water Districts #1 and #2 from a surface water supply (i.e. Bartlett Pond) located on Bartlett Pond Road. This is the same water source from which the Village of Port Henry obtains their water supply (only from Bartlett Brook rather than Bartlett Pond). The Town of Moriah also operates a DualSand® technology filtration plant (same technology as the Port Henry water filtration system) with a “paper” rated capacity of 750,000 gallons per day (GPD) and a maximum peak rate of approximately 1,100,000 GPD. The plant provides treatment in accordance with SWTR criteria and also provides an activated carbon filter to reduce DBPs (i.e., Trihalomethanes (THM's) and Haloacidic Acids (HAA5s)). The treated water is stored in two 650,000 gallon, above ground pre-cast pre-stressed concrete storage tanks. The storage tanks also provide water to serve Water District #2 by a main pumping system located in the basement of the filtration plant. Water is pumped from the basement to an aboveground

400,000 gallon pre-cast pre-stressed concrete storage tank which serves Water District #2. This storage serves Water District #2 areas by gravity flow.

A major replacement of the infrastructure for Water Districts #1 and #2 was completed in 2005. The work included the replacement of the water filtration plant, water storage, water transmission mains, and an extensive portion of water distribution system in Mineville and Witherbee areas and south on Plank Road to the Grover Hills area. As a result of the improvements, the water system provides a superior water quality than previously provided over previous decades. The Town continues to search funding to replace other water distribution system infrastructure from Grover Hills through Moriah Center on to the Hamlet of Moriah. The replacements still needed are water mains, gate valves, hydrants, and pressure reducing stations.

At the time of this report, actual current operating flow records were not available, but past history dictates that the flows are below the rated capacity of the filtration equipment (i.e. 750,000 gallons/day). However, CGR has received data that indicates the Town average day flow is 300,000 gallons with an all-time peak day of 450,000 gallons.

4. CONSIDERATIONS FOR THE CONSOLIDATION OF WATER DISTRICTS

The task of this firm is to review the ability to connect the Port Henry water system to the Town of Moriah water system and if considered possible, provide an estimate of costs to provide this consolidation.

As a result of a limited review, it is our opinion (based on flow data provided to AES Northeast by CGR) the consolidation of water systems can physically occur and the two communities can be served by the Town's water filtration plant with average combined day flow of 458,000 gallons and peak flow of 880,000 gallons, which presumably did not occur on the same day. A review of actual flow records for the past 3-4 years will confirm the ability of the much larger Moriah water filtration system to provide treatment of the additional flows from Port Henry users. If the flow through capacity is available, there are several major upgrades that would be necessary to connect and operate the two systems as one large distribution network. Currently, the two systems are only connected by a single normally-closed valve on Broad Street at the Village/Town boundary. This section of water main is limited in size and will not allow necessary flow to serve the entire Village of Port Henry water system.

Secondly, as discussed earlier in this report, there is the need to provide a filtered and treated water supply for the Switchback, Elk Inn, and Forge Hollow Road areas. This connection could be provided by construction of a large diameter (i.e. 12") transmission

main from the Town's water system in Moriah Center along Titus Road and connecting to the existing Village of Port Henry 10" raw water transmission main located on Cheney Road. This interconnection of the two systems would provide a "looped" system and more importantly, two service feeds to the Village of Port Henry from the Town of Moriah.

In order to accomplish this connection and avoid excessive pressures (due to the excessive changes in elevation), pressure reducing stations would be necessary. One could be located at the intersection of the new transmission main and the existing Port Henry raw water main on Cheney Road and a second station could be located at the existing booster pump station on Broad Street. These locations are only tentative and will be more fully developed once a decision is made to consolidate the water systems.

The existing Village of Port Henry filtration plant building would remain in service and be converted to a booster chlorination facility. The filtration equipment would be abandoned and water service would bypass the equipment. The existing pump station on Broad Street that serves the dozen or so homes west of the pump station would be eliminated and those homes would be served by opening the "normally-closed" valve on Broad Street at the Village/Town boundary.

The scope of this initial evaluation is only to determine if there are any detriments or items that would restrict the consolidation of services and to identify a possible layout of the transmission/distribution network to consolidate the two water service areas. When a decision is made to consolidate the water systems, an extensive hydraulic and chlorine residual analysis modeling would be conducted. This future detailed evaluation and modeling of the entire consolidated water system network will be a "Basis of Design Report" clearly defining water line sizes, locations of specific water system components necessary to consolidate the water systems while ensuring compliance with NYS Department of Health and 10-States Standards.

5. PROPOSED IMPROVEMENTS/PROJECT COSTS

Exhibit "B" of this report provides a preliminary estimate of probable project costs for the improvements necessary for the consolidation of the two water service areas. A total estimated probable project cost at this time is \$2,375,784 (2009 dollars).

6. SALVAGE VALUE

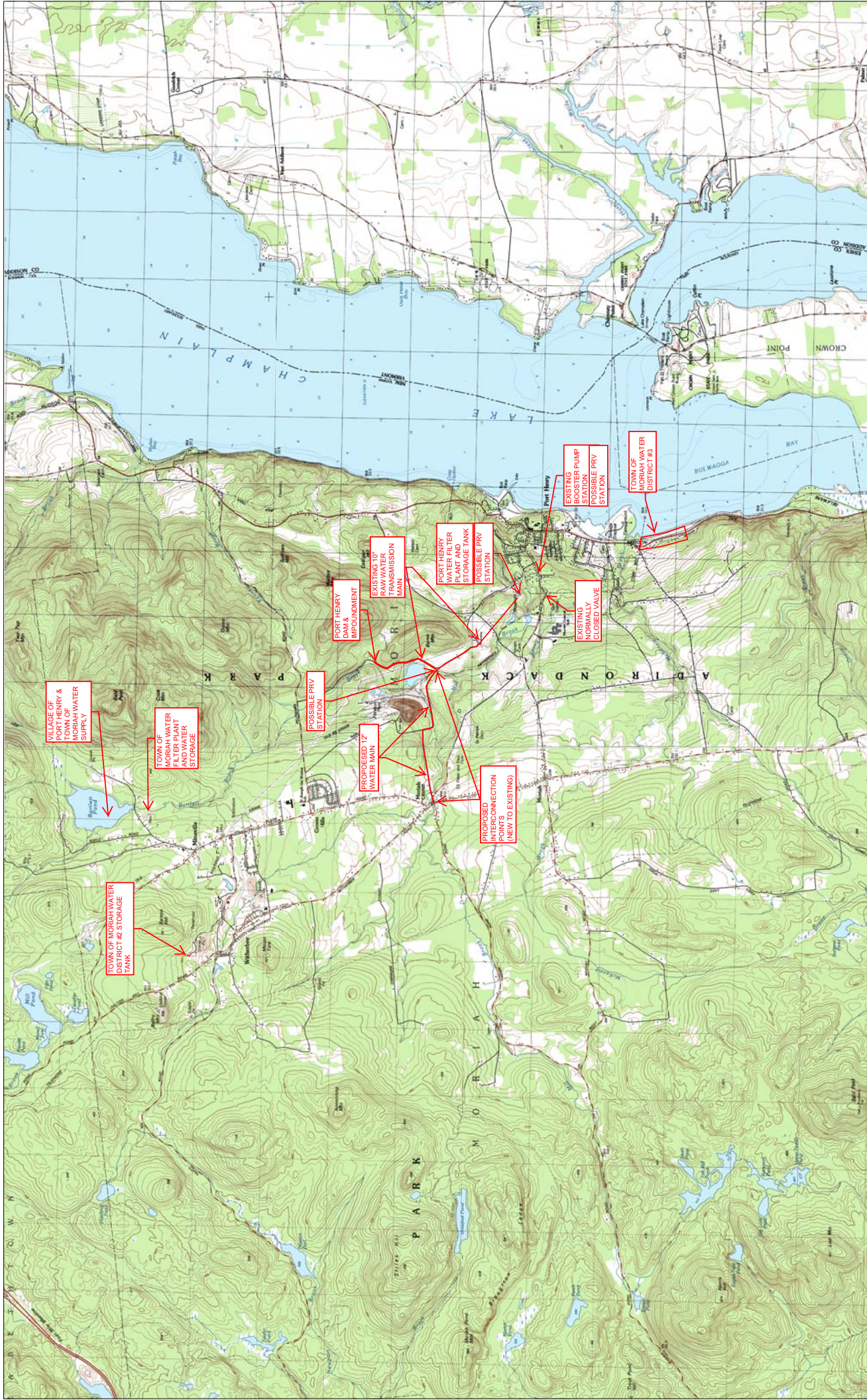
As part of this report, a review was made for the consideration of any salvage value of equipment or facilities that would be abandoned by the consolidation of the water systems.

The booster pump station on Broad Street would have the most likelihood of having salvage value due to the ability of transporting it as a complete unit, similar to the way it was brought to the site during the previous Village of Port Henry water system upgrades. Due to costs of disconnecting, transportation, and reinstallation of the pumping unit and taking into consideration depreciation of the equipment (due to its age), a salvage value of approximately \$10,000 to \$15,000 is estimated.

In regards to the Village of Port Henry water filtration plant, the filtration unit could be sold to a community which needs to comply with the SWTR, provided that a pilot study utilizing this same technology was conducted in accordance NYS Department Health criteria. However, the cost of the initial pilot study, the cost to dismantle, transport, reinstall "used" equipment would likely make this equipment of little value as a water filter package. Therefore, it is our opinion that the only salvage value of the filters themselves is the metal value for the stainless steel tanks. Municipal clients that are in need of water supply filtration equipment for public water would have difficulty financing "used" equipment by current funding agencies. The Village would more likely find a private entity or even a third-world county that has an ability to invest a large amount of cash to purchase and utilize this type of filtration system.

7. SUMMARY

In summary, there are certain advantages in consolidating the water systems under one entity. However, the final determination must include not only the cost of capital improvements, but also manpower reductions, benefits, and consolidation of debt. The manpower and debt consolidation is not part of this evaluation and will be completed by others. This report is based on a very limited evaluation (both in time and data made available) to the author. The estimates of project costs are based on current bidding prices for water system improvement projects (similar in nature to this project). This evaluation should not be considered complete until a "Basis of Design Report" is completed and a final design of the consolidation of infrastructure is completed and approved by the NYS Department of Health.



VILLAGE OF PORT HENRY & TOWN OF MORIAH WATER SUPPLY

TOWN OF MORIAH WATER DISTRICT #2 STORAGE TANK

EXISTING MORIAH WATER FILTER PLANT AND WATER STORAGE

POSSIBLE PRV STATION

PORT HENRY DAM & DAM IMPOUNDMENT

PROPOSED 12" WATER MAIN

EXISTING 10" RAW WATER TRANSMISSION MAIN

PORT HENRY WATER FILTER PLANT AND STORAGE TANK

PROPOSED INTERCONNECTION POINTS (NEW TO EXISTING)

EXISTING NORMALLY CLOSED VALVE

EXISTING BOOSTER PUMP STATION

POSSIBLE PRV STATION

TOWN OF MORIAH WATER DISTRICT #3

EXHIBIT B
 ESTIMATE OF PROBABLE PROJECT COSTS
 FOR THE CONSOLIDATION OF THE VILLAGE OF PORT HENRY AND
 TOWN OF MORIAH WATER SYSTEMS
 AES PROJECT NO. 3682
 November 4, 2009

A. DISTRIBUTION SYSTEM

1. Titus Road to Switchback Road

	<u>QTY</u>	<u>UNIT</u>	<u>UNIT COST</u>	<u>TOTAL</u>
12" DI CL 52	3,500	FT	\$ 80	\$ 280,000
12" Gate Valves	3	EA	\$ 1,500	\$ 4,500
Fire Hydrant Units	3	EA	\$ 4,000	\$ 12,000
Connect to Existing (10" to 12")	1	LS	\$ 10,000	\$ 10,000
Stormwater Practices	1	LS	\$ 10,000	\$ 10,000
Restoration	3,500	LF	\$ 15	\$ 52,500
Sand Backfill	3,600	CY	\$ 12	\$ 43,200
Rock Removal	1,800	CY	\$ 100	\$ 180,000
Pavement	700	SY	\$ 60	\$ 42,000
Stream Crossing with Valve Pit	1	EA	\$ 50,000	\$ 50,000
	SUB-TOTAL			\$ 684,200

2. Switchback Road to Cheney Road

	<u>QTY</u>	<u>UNIT</u>	<u>UNIT COST</u>	<u>TOTAL</u>
12" DI CL52	3,500	FT	\$ 80	\$ 280,000
12" Gate Valves	2	EA	\$ 1,500	\$ 3,000
Fire Hydrant Units	3	EA	\$ 4,000	\$ 12,000
Convert to Existing (12" to 10")	1	LS	\$ 10,000	\$ 10,000
Stormwater Practices	1	LS	\$ 10,000	\$ 10,000
Restoration	3,500	LF	\$ 15	\$ 52,500
Sand Backfill	3,600	CY	\$ 12	\$ 43,200
Rock Removal	1,800	CY	\$ 100	\$ 180,000
Pavement	700	SY	\$ 60	\$ 42,000
	SUB-TOTAL			\$ 632,700

3. Port Henry Booster Pump Station (Broad Street)

	<u>QTY</u>	<u>UNIT</u>	<u>UNIT COST</u>	<u>TOTAL</u>
Dismantle and remove Pump Station	1	LS	\$ 10,000	\$ 10,000
Pressure Reducing Station	1	LS	\$ 75,000	\$ 75,000
Restoration	1	LS	\$ 10,000	\$ 10,000
	SUB-TOTAL			\$ 95,000

B. TREATMENT SYSTEM

Port Henry Water Treatment Plant

	<u>QTY</u>	<u>UNIT</u>	<u>UNIT COST</u>	<u>TOTAL</u>
Re-Pipe By-Pass Around Raw Water Reservoir	1	LS	\$ 75,000	\$ 75,000
Pressure Reducing Station	1	LS	\$ 150,000	\$ 150,000
Control System Upgrade (Port Henry & Moriah Water Plants)	1	LS	\$ 200,000	\$ 200,000
Update Chlorination Facility	1	LS	\$ 25,000	\$ 25,000
	SUB-TOTAL			\$ 450,000

SUB-TOTAL CONSTRUCTION COSTS	\$	1,861,900
DESIGN, PERMITTING, & CONSTRUCTION PHASE SERVICES 15%	\$	279,285
LEGAL AND BONDING SERVICES 1%	\$	18,619
SUB-TOTAL	\$	2,159,804
PROJECT CONTINGENCIES 10%	\$	215,980
GRAND TOTAL	\$	2,375,784 (2009 Dollars)