

Town of St. Armand
Thursday, November 5, 2020 – 6:00 pm
Public Hearings – St. Armand 2021 Town Budget and St. Armand Water and Sewer Rates for 2021

These Public Hearing Minutes were approved by the St. Armand Town Board on November 10, 2020.

Two Public Hearings were held on the above date and times at the Town of St. Armand Town Hall, Bloomingdale, NY.

BOARD MEMBERS PRESENT:

Town Supervisor Davina Winemiller, Deputy Supervisor D. Joseph Bates, and Councilperson Donald Amell in person and Councilperson Jennifer Fuller and Councilperson Karl Law via GoToMeeting webinar.
A quorum of the Board was in attendance.

TOWN EMPLOYEES PRESENT:

Town Accountant Donna Bramer and Town Clerk Barbara Darrah.

GUESTS: Dean Everritt, in person, and Jacob Vennie-Vollrath, via GoToMeeting webinar, both from the community.

Notice was posted regarding the date and times of the Public Hearings.

Supervisor Davina Winemiller called the Public Hearing to order at 6:00 pm and asked all to recite the Pledge of Allegiance.

Supervisor Winemiller asked Town Clerk Barbara Darrah to read the Public Notices aloud.

Darrah: PUBLIC NOTICE - Notice is hereby given that the Preliminary Budget for the Town of St. Armand for the fiscal year beginning January 1, 2021 has been completed and filed in the Town Clerk's Office, St. Armand Town Hall, 1702 NYS Route 3, Bloomingdale, NY 12913, where it is available for inspection by any interested parties Monday through Thursday, from 9:00 am to 3:00 pm.

FURTHER NOTICE is hereby given that the Town Board of the Town of St. Armand will hold Public Hearings thereon at the St. Armand Town Hall, 1702 NYS Route 3, Bloomingdale, NY 12913, on Thursday, November 5, 2020, beginning at 6:00 pm for discussion on the 2021 Town budget and the Water and Sewer Rates for 2021 and that at such hearings, any person may be heard in favor or against any item(s) contained therein. Pursuant to Section 108 of the Town Law, the proposed salaries of the Town's elected officials are hereby specified as follows: Salaries were read aloud and appeared in the Adirondack Daily Enterprise October 22, 2020 edition.

PUBLIC HEARING ON 2021 BUDGET

Davina Winemiller: (To the Board) There were a couple of changes I wanted to bring to your attention and I already spoke to you about. The Town was selected this year by the NYS Comptroller's office for an audit on our Tax Cap. They picked up on an issue in the General Fund, Revenue Section, page 9, A1089, Omitted Property tax. \$29,765.00 is due from the sale of AMA. We did back it out by calling it a revenue, but we also had to back it out again from the entire tax. It was removed from the Tax Rate schedule.

Secondly, if you go to page 10, Miscellaneous Unclassified A2770.100, that is the ROOST money. We received the first ROOST check today and it reminded me that I had omitted it from the 2021 budget. The check was for \$20,000. We are expecting another \$20,000 check in 2021. So, the \$29,765, went down to 9,765.00. If you will all go to the second to the last page of the budget, the TAX RATE Schedule. The total now is \$863,801, and that is because we had to back out the \$29,765.00. Does anyone have any questions regarding the General Fund? There were no questions.

B Fund: B funds are \$13,498 and the B fund has no tax. It is sales tax and fee revenue based, so it is a complete wash.

Highway Town-wide: We are in excellent shape. Our plan is to never again take out a loan for vehicle purchases. We will save diligently to prepare for vehicle purchases in the future. Does anyone have any questions on the Highway Fund? There were no questions.

Highway Outside: Last year we had a big change in our Highway Outside. Because we are no longer doing the DOT NYS Route 3, in 2020, I believe it was \$174,000 we shaved off the budget last year. It was substantial savings for the Town Highway Fund.

This year our DB Fund is \$73,500. Revenue is from the Sales Tax and state-aid CHIPS fund. Because of the COVID pandemic, the County advised us to reduce all State and Federal aid by 20%. Any questions on Highway Outside? There were no questions.

Fire Protection for Bloomingdale and Saranac Lake: These numbers are contracted amounts. There really is not much we can do to change any of these figures. This is the cost of business to keep our communities safe.

Fire Protection for the Town of North Elba: A small section of Lake Placid (Echo Bay) is in the Town of St. Armand, and the contract this year is \$ 6,355. That is even less than what we anticipated.

St. Armand Sewer: In the appropriations we were able to reduce it to around \$5,700. And, we were able to bring the water rate down a little bit. If you go into our debt service, page 2 of our Sewer District. The EFC sewer plant loan, SS9720.600 does increase annually. That is the big sewer plant loan we took out in 2017. It is a zero percent interest loan. It is broken down in the Long-Term Debt in the back of the budget. Each year it goes up about 1.6%. Even though the debt service would be increasing, the payment from the customers should be about the same because other loans would be paid off during the years.

St. Armand Water: Good news in water. We paid off one of our water loans. Currently, we only have the one water bond, the payment is \$2,569.00 per year. We will see a substantial drop in the water debt service. That is pretty exciting. The entire appropriation did go down just under \$7,000 for the water department for the year. Any questions on St. Armand Water District? There were no questions.

Rockledge: Rockledge is remaining about the same. The appropriation increased to \$7,600 this year but it really stayed the same as far as the taxes with the new program for the Town investment, NY Class. We are earning interest at a rate we have never earned in the Town of St. Armand. In 2020 I would estimate that we have earned more interest this one year than we have ever earned in the past ten years combined. Any questions on the Rockledge water district? There were no questions.

Tax Rate Schedule: The implied Tax Rate, line G is compared to the current tax rate. We are within pennies of our current tax rate. We are in really good shape. Does anyone have any questions regarding the Tax Rate Schedule? There were no questions.

Summary of All Funds: Does anyone have any questions on the summary? There were no questions.

Additions to the Budget: This year's budget supplement, Donna did an excellent job with this. It is very clear, there are more details this year, and it will also help to clarify any questions that anyone might have. Our goal was to have anyone be able to pick up our budget and see what is being spent and where it is being spent.

Jacob Vennie-Vollrath asked if the fuel and propane were put out to bid?

Davina Winemiller: Yes, we did go out to bid for our fuel and propane last year. We ended up going with Hyde Fuel. They were even substantially less than even the County contract. We feel very confident that we got the very best price we could get. I believe it was .25 cent less, plus the Service calls. Other bids did not provide services, only the fuel itself.

Jen Fuller, Karl Law, and Jacob Vennie-Vollrath appreciated the supplement.

Davina: I re-did the existing Long-Term Debt spreadsheet. Everyone can now know exactly what we owe, who we owe, what the percentage rate is, and when it is paid off. Our goal is transparency to the public and the public can see where our money is going.

Pay Schedule: The last page shows this year's salaries and next year's salaries, which shows about a 3% increase for everyone. For those of you who don't know, we did receive a grant for Records Management and the Town Records have been reviewed and cleaned up, boxed and labeled with retention dates. There is a new NYS Law regarding Records Management, so there will be new guidelines to follow.

PUBLIC HEARING ON 2021 WATER AND SEWER RATES

Supervisor Winemiller referred those present to view the Water and Sewer rates worksheet, which shows the Water and Sewer usage charges and the Water and Sewer Debt charges proposed for 2021.

The proposed rates for 2021, the Water Usage is \$6.18, per 1,000 gallons, which is the same as 2020, the Water Debt is now \$1.70, decreasing from \$8.00, the Sewer Usage amount will be \$14.25, decreasing by .89 cents, and the Sewer Debt will be \$71.00, increasing \$3.00. Keep in mind the Sewer Capital Reserve Fund will be \$12.00 this year. Keep in mind, the Sewer Capital Reserve Fund is the money we are putting away for the matching grant funds for the DEC Disinfection system requirement.

Winemiller: Dean (Everitt) did you have a question?

Everitt: Looking at the rates, that first year we went up like 120%, then ½ way through the next year, it was brought down to 45% more than we were paying, then the next year we went up 78% more....

Winemiller: I'm not sure where you are getting the percentages. In 2017, when the Wastewater Treatment Plant was completed and went fully online, that was the year we went with long-term financing with EFC. That large percentage that you are talking about is that. I am going to ask you to take a quick look at the Existing Long-Term Debt page in the back of the Budget. Before 2017, we only had the \$207,000 loan from EFC and the payment was \$7500-\$7700 per year. That is how much debt service we were paying prior to 2017. Now, if you go one another page, you see the larger loan for \$2,700,000 that started in 2017 from EFC, which made the huge debt service increase. By law, the Debt Service that customers are paying can only be used for the loan and the

loan interest. The usage fees are what we pay to run the plant each year; the chemicals, the salaries, the utilities, etc. I absolutely understand your frustration, but we were being fined prior to building the new plant.

Everitt: I think there is a language that you have because you work with it. So, I will put the question in my terms. I guess my question is, I seem to recall when we were having those meetings, this was supposed to be a project. My question is, when is this going to end?

Winemiller: I think I can answer that. The reason the Board approved the usage rate of \$18.75, is because the DEC is requiring the Town add a disinfection system to the treatment plant. We had to figure out a way to come up with \$141,000 matching funds for a grant that DEC is giving us for that system. After doing a ton of research, we came up with the Sewer Capital Reserve Funds, which allows us to come up with the \$141,000 without raising the usage rate. We could then reduce the usage rate based on what the costs were to run the plant.

Folks that had bigger families were paying huge usage rates. That was not equitable in the Board's opinion. In order to still collect what we must come up with for the DEC mandate, we came up with the Capital Reserve Fund. Once we reach the \$141,000 with the Capital Reserve Fund, that will go away. Then, there will be only the usage fees and the Debt service. Every quarter when we collect the Capital Reserve Fund, it is being pulled out and invested in the NY Class, and earning as much interest as we can toward that matching fund.

Everitt: So, in the beginning we only had to do this for a little while, and now I'm hearing 25 years.

Winemiller: No, the Capital Reserve Fund is only for a little while.

Everitt: Will that get us closer to where we were? Not \$14.50, but more like \$8.00 or \$8.50?

Winemiller: The Sewer Debt is based on the loans.

D. Joseph Bates: The usage fee is based on the operating costs itself, to run the plant for example, the chemicals, the fuel oil, electricity, etc.

Winemiller: I do have a tiny bit of good news. We did get a \$50,000 NYSERDA grant for installing a new row of solar panels at the plant, and that should bring down the electrical costs. We do plan on applying for more grants. I am doing everything I can do to get our rates down. I met with the president of EFC in person and talked to them about the issues here. It seems to me that the DEC is giving us more and more things that we have to do. The disinfection system came about 3 months after the treatment plant was built. Now, it is the phosphorus levels.

Donna Bramer: The other thing we have done is fine-tune the budget to help us find where the expenses are.

Winemiller: Water and Sewer charges are 100% user funded. We only have 276 sewer units. For 2021, \$80,215 plus \$7,200 is divided by 276 users.

Darra: But we are working on getting more streets connected, correct? Which will give us more users?

Winemiller: Yes. We are working to get Vine Street and Poplar Street connected next. COVID has interfered with that progress.

Everitt: I want to make clear that I have no doubt you and the Board are working diligently to get the rates down. But, I did a rough count of what is collected and it seems we are meeting the expenses plus.....

Winemiller: If you look at the 2020 Water and Sewer Billing Sales sheet, looking at the 2020 budgeted amount and then the 2020 actual billed amount, they came in almost equal.

Everitt: This is a good example. Sewer usage and water usage, we brought in about \$205,000 so, the loan is for \$140,000, didn't we surpass it?

Bates: No, the \$140,000 is separate.

Winemiller: Dean, can you give me a call tomorrow? I think we can answer your question if you take a look at the sheet overnight and I can explain it tomorrow.

Donna Bramer: There are 3 components. The cost to run the plant, the cost of the loans, and the disinfection system.

Everitt: I will take this stuff home, jot down some questions and I will give you a call tomorrow. One other thing. I don't know if anyone else in town has noticed this, but in the last month or so, my water is cloudy. It's odd. We let it run and we have white things float around and then it settles. My wife also noticed iron discoloration in the Brita filter and Waterpik.

Winemiller: I will send either Dave or Cory to check it out. They can do a lead test also. The lead test is free.

Everitt: Thank you (to the Board) and thank you, Barb.

QUESTION OR CONCERNS FROM GUESTS AND STAFF:

Supervisor Winemiller asked if there were any questions or concerns from guests or staff? There were none.

MOTION TO ADJOURN:

Deputy Supervisor D. Joseph Bates made a Motion to Adjourn the Regular Board Meeting. The Motion was seconded by Councilperson Donald Amell, Councilperson Jennifer Fuller and Councilperson Karl Law. The Public Hearing adjourned at 7:16 pm.

I, Barbara J. Darrah, Town Clerk for the Town of St. Armand, do hereby certify that the above is a true and correct transcript of the Regular Board Meeting minutes held on the above-referenced date.

Barbara J. Darrah
St. Armand Town Clerk

Dated: November 5, 2020