

APPROVED

Town of Lansing

Wednesday, April 18, 2012

2:00 PM

SEWER COMMITTEE

(*Denotes present)

Tom Jones
Ed LaVigne
* Kathy Miller
* CJ DelVecchio
* Andy Sciarabba
* Mark Booth
* Noel Desch
* Jeff Overstrom
* Dale Baker

Public Present

David Herrick
Dan Veaner
Jeff Smith

General Business

Andy Sciarabba called the Meeting to order at 2:05 PM.

Jeff Smith, C.E.O - Municipal Solutions

Mr. Smith presented the following alternative financing options to apply for Sewer Assistance.

With the economics environment we have now, waiting for federal funding (water & waste) may even be cut more next year.

EFC most of their corpus comes from the EPA. Federal Funding is behind a State program.

- EFC does have a 30 year program available. You do not get any subsidy but, you can use their III Bond rating. This has a better rating then the US has. This may be something the Town looks into. It gives flexibility of starting and getting the project done with Bond Anticipation Notes or they do have a short term program (SMIRF).

APPROVED

- This SMIRF Program is a nonsubsidized, with a AAA rate, for five years. This program is outside of the scoring. However, if this route is pursued, the Town must abide by the EFC regulations, MBE WBE Guidelines, The Davis-Bacon Prevailing Wage Rate Guideline right from the very beginning.
- The Town could be on their own Bond Anticipation Notes for a series of years then go long term with SMIRF when the rates look attractive.
- The Town can negotiate with The Correction Facilities in the area. They don't want to carry debt service and have been known to pay a lump sum up front, then an O & M charge which usually is the same as the other residents that are billed in the district. Start dialogue with the Schools, negotiations could take as long as two years.
- Stay on Bond Anticipation Notes for 5 Years then a 25 year market rate to EFC.
- Assessment on Tax Roll you can stay in Bans forever. Each year you have to re-market the bans which will create a cost of issuance (\$6,500 to \$7,000 annually).
- Two \$5,000,000 Bans can be done if you negotiate one in the spring and one in the fall. These have to be competitively bided in order to show the Tax Payers that you are doing the best job for them. Bond Counsel opinion is required.

Sharon Bowman, Bookkeeper for the Town states the Town has never dealt with anything this large. Historically all projects that the Town has undertaken have always used bans. The recent percentage rate has been 2% and under. (Warren Road Sewer & Drake Road Water). Ms. Bowman solicited 4 different local banks and requested rates. Legal Counsel updated the documents and the Town was all set. Mrs. Bowman stated Municipal Solutions would have to be involved with this large scope project.

Mr. Sciarabba states the Town's timeframe would ideally be to start construction on the Sewer next spring. Mr. Sciarabba inquired from Mr. Smith if there would be any problems /delays with the band approach or the EFC. Mr. Smith states it's a matter of coordinating the bid documents and material, which it what the Town's Engineer will do. If in the future, the Town needs to expand the district, the town can mesh the bans together. Other projects or equipment can be added.

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The amortization period on the ban can be longer, up to a 40 year period. Downfall would be if the market goes sour, so it is not recommended to go that length.

The School District may be able to pay an upfront lump sum if approved by the State Education Department. In addition, the State Ed Department may pay for the distribution line to the school. Carl Thurnaw in the Facility Planning Department is the person to speak with at the State Education Department level.

Mr. Sciarabba inquired if the Town could sign up for extra EDU'S based upon future Development. Mr. Smith states that would have to be researched. A possibility would be for the Town to donate to our local IDA.

Andy Sciarabba states the Town is waiting for the Final Map Plan from Hunt Engineer's. The Report should show final costs, and answers to EDU'S per day. Once that arrives the Town will send this to Mr. Smith for his review and updates.

Jeff Smith will check into the following;

1. Assumption of 5 year Bans
2. 25 Year, conventional and EFC
3. 1 scenario based on past history of an average ban rate (rolling bands)
4. Use of more actual bans (3-4 yrs) then historical
5. A couple of different options

The Town will need to do the following;

1. Talk with the two State Youth Facilities
2. Talk with the School to see if they would like to do a capital project

David Herrick inquired as to how the State Comptroller would look at it if the School District wanted to take jump on the wagon. Mr. Smith states the State Education Department would need to provide some sort of letter or FPM Form. The best thing would be an approved Capital Project. A Capital Project Vote can be done anytime, historically December is a good month.

Bond Resolution is good for 10 years. Timing is important but, not critical.

Mr. Sciarabba inquired from Mr. Smith how the Comptroller's Office will look at their proposal submission that indicates the Town has included in their EDU calculations

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two developments that are not formalized. Mr. Smith suggested that the Developer's put up marketable securities (in an escarole account) or a bond.

Above and beyond the normal benefit formula, people are able to come forward and support the South Lansing Sewer District. They will pay their normal rate per EDU and then pay their rate.

Mr. Smith will be providing the Town with a letter indicating that it is legal for tax exempt properties to be billed for Operation & Maintenance fees.

David Herrick, P.E. Updates

A marked up copy of the Sewer District Boundaries was sent to the Tompkins County Health Department, along with the John Anderson letter dated back from 2006. As of this date Steve Maybee has made no progress. Mr. Maybee was made aware of the Town's timing on the sunset.

- Contractors (Hicks, Pinney, Kirk) - Andy Sciarabba

Andy has made contact with the Contractors and is still awaiting their return call.

- IMR & Advance Design - Kathy Miller

Kathy had not made contact with them yet. Andy states IMR was recently sold and they are expanding all over the world. Andy will set up a Meeting with Joe to discuss this matter further. Kathy will speak with Alex Deyheim.

David Herrick re: Community Block Grant

David Herrick presented the following;

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Memorandum

To: Lansing (T) Sewer Committee
Date: April 18, 2012
From: D. Herrick, P.E.
Re: Action Items

NYS Office of Community Renewal, Community Development Block Grant

The CDBG program can fund public infrastructure, such as sewage collection systems and treatment facilities, however, the low income eligibility criteria for these capital improvement projects are strenuous and in all likelihood not attainable for Sewer District #1. The CDBG program can also be a funding source to reimburse specific income eligible residents for the costs of connecting the household plumbing to the Town's new sanitary sewer mains. A "lateral connection assistance program" (LCAP) may be the most appropriate use of this funding opportunity.

Such an assistance program would be sponsored by the Town and could be administered by a local, non-profit housing agency acting as a 'sub-recipient'. It would be worthwhile to contact Better Housing for Tompkins County and inquire if such a partnership is possible. Proof of household income eligibility will be more exhaustive than a traditional income survey; however it is not critical at this time to determine low income status per CDBG criteria. Instead, if a traditional survey is conducted to determine median household income for EFC purposes it would be wise to include in the survey form a description of the possible LCAP and ask respondents to state their interest in utilizing this assistance. The content and structure of this information will best be crafted by the Town's consultant. If there is a high response rate from households at the lower levels of income then the Town could initiate a funding application, in partnership with the housing agency. Any grant funding made available for the LCAP will have to be spent within two years.

Short-Term Completion Schedule

April 25th – Receive and review the latest Engineer's Report by Hunt.
April 27th – Complete the EFC project listing form
April 30th – Receive any supporting documents from Tompkins County (Health & Planning) and combine with a Town cover letter. Submit all material to EFC via overnight delivery.

Long-Term Task Schedule for SEQR

May 1-31 – Initiate the SEQR process and dialogue with involved agencies. Complete Full EAF.
June 20th – Town Board review of Full EAF and distribute written intent to be Lead Agency.
July 18-25 – Town Board consider establishing Lead Agency status.
August 1-February 1, 2013 – Complete the SEQR process.

1 of 1

Approval of April 11, 2012 Minutes

CJ DeVecchio states on page 1, Steven Mabee should read: Steven Maybee
David Herrick states on page 2, Faulkinberg should read: Falkenburg.
Also, SPEDES should read: SPDES.

Noel Desch made a motion to approve as amended. CJ DeVecchio seconded. VOTE:
ALL IN FAVOR.

Upcoming Tasks to follow up with

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1. Finalize District Boundary Map – David Herrick
Will request Hunt's to calculate EDU'S to usage fee &
O & M in terms of thousand gallons
2. Better Housing-John Spence- CJ DelVecchio
3. Start of the Full EAF Process – David Herrick & Jeff Overstrom
Dialogue to see who would like to be Lead Agency

The next Meeting is scheduled for Wednesday, April 24th @ 2:00 PM. Dale Baker will be next week's Chairperson.

Kathy Miller motioned to adjourn the Meeting at 4:00 PM. Noel Desch seconded. VOTE:
ALL IN FAVOR.