

NOTICE OF DISSOLUTION OF SEWER DISTRICTS & DESCRIPTIVE SUMMARY THEREOF:

The Cherry Road Sewer District was formed in 1988 and is a service area surrounding higher density residential areas along Cherry Road in the Town of Lansing, and the Warren Road Sewer District Extension was formed in 2009 and mainly services residences, businesses, business parks, and higher density residential areas along Warren Road in the Town of Lansing (the said sewer districts being herein referred to individually as a “District” or individually, severally, or jointly as the “Districts,” as the context thereof may admit or require). The Cherry Road Sewer District was formed under Town Law Article 12 and the Warren Road Sewer District Extension was formed under Town Law Article 12-A, and both are serviced by the Cayuga Heights Sewer Treatment Plant pursuant to an intermunicipal agreement with the Village of Cayuga Heights and the Village of Lansing for the transportation and treatment of sewer flows (the “IMA”). Both such Districts have the Town Board of the Town of Lansing acting as their District commissioners. The Town Board of the Town of Lansing thus has certain management and oversight responsibilities, including operation, maintenance, debt management, and the approval of all operations, agreements, and borrowing on behalf of the Districts.

The Town has no public works board or commission and no separate sewer District employees. Yet, in consideration of the formation of the new sewer improvement area in the Town, centered mainly along State Routes 34 and 34-A, running through the Town Center and Lansing Central School District property areas, the Town will shortly have need of sewer employees. Since, in New York State, the provision of sewer services is not a town function, but can be made a function of town government pursuant to Town Law Article 12-C, the Town Board believes it is in the best interests of the Town to have such future sewer personnel manage the above Districts and to have a town sewer improvement area as opposed to Districts. This reduces redundancies in services and costs, reduces administrative costs and burdens, and makes the provision, management, operation, and expansion of sewer services a town function.

In the past there were provisions under the Town Law (§ 209-r) to dissolve districts into improvement areas, but as part of a state-wide plan to reduce the number of governmental and taxing authorities, the NYS Legislature repealed Town Law § 209-r and enacted General Municipal Law (“GML”) Article 17-C to govern both the consolidation and dissolution of governments and governmental entities and authorities, in recognition that simplifying government and the number of governmental agencies will produce savings. Thus, while the Town 12-C sewer improvement area is being formed, the Town will also take the required steps under GML Article 17-C to dissolve the above-referenced Districts and make each such District’s service area part of the 12-C sewer improvement area of the Town. Thus, these separate 12 and 12-A districts will become unnecessary once a 12-C improvement area is formed, in part, as the 12-C improvement area will take over responsibility for the operation and maintenance of the facilities of the said Districts, including the future costs of maintenance and capital improvements.

Pursuant to law and following dissolution of the Districts, the property owners in the

improvement area would become responsible for the payment of debt service on the existing debt of the Districts to be dissolved, and for the operation and maintenance of the facilities of the former Districts, which payments shall be collected as special assessments on the property within the improvement area (appearing upon tax bills) and through usage fees for sewer services (appearing on water and/or sewer bills). If a new sewer improvement area is formed, the costs of any future capital improvements would also be assessed against the property owners in the improvement area pursuant to Town Law Article 17-C. If the improvement area is not formed, any costs would be assessable only to the property owners within the District(s), regardless of whether due for replacement, repair, expansion, or needed or mandated upgrades and capital improvements.

As a result of the dissolution of the said Districts, it is anticipated that there will be annual savings of approximately \$30,000 per year and approximately \$296,000 over a 10-year period. Such savings estimates were calculated by determining the percentage of time particular employees spend on an annual basis addressing the separate costs related to improvement districts and the specialized funding and accounting requirements for such part-town stand-alone tax authorities. Also considered were the costs of legal and engineering fees attributable to these special proceedings, including the costs of engineering studies and reports, and legal costs - from the drafting Article 12-A resolutions, public interest orders and hearing notices to environmental review and bond costs. Staff and payroll savings per year were estimated at \$7,400 as based upon the number of hours devoted to Article 12 and 12-A districts in a typical year. Further, substantial miscellaneous employee indirect time is expended upon such matters, including by the Town and Planning Boards. There is also approximately \$2,000 in savings generated per year by not needing complex analysis of finances and operations when the provision of sewer services becomes a general Town function, and this change in operations affects financing, bonding, reserve accounts, and the number of public hearings, referendums, and applications to New York State that would be required annually. There is also about \$8,700 average savings per year as based upon the number of historical and potential proceedings needed under Town Law Article 12-A to effect repairs, upgrades, or any expansion to the existing districts as, under Article 12-C for improvement areas where the provision of sewer services is a general town function, the procedures are simplified, and the number of formal proceedings requiring bonding or state approvals operates upon different formulae and will reduce the costs of providing sewer services generally. In all, and also factoring in saved paper, mailings, and general office expenses using an industry standard cost figure based upon gross payroll, savings over a 10-year period, and taking into account the age of the existing districts, there is a gross savings calculated of approximately \$296,000. Such savings are realized through and comprised of the efficiencies of centralized sewer management and reporting through a single sewer improvement area that manages all services, taxes and billing, and all infrastructure management and improvements, including trunk and collector lines. More information about overall costs for the sewer improvement area are set forth in the final Map, Plan and Report for the Town of Lansing Sewer Improvement Area, dated (the "MPR"), a copy of which is attached as Exhibit A, and copies of which are also available at the Town Clerk's Office.

It is proposed that the dissolution take effect immediately upon the filing of the Final Order of formation of the Article 12-C improvement area.

A public hearing upon the Dissolution Plan will be held on July 17, 2013, at 6:05 pm, at the Lansing Town Hall, 29 Auburn Road, Lansing, New York 14882. Full copies of the whole of the Dissolution Plan are available on the Town of Lansing website (<http://www.lansingtown.com>), at the Town Clerk's Office, and at the Lansing Community Library circulation desk.