

**ALLEGANY AFFORDABLE GOVERNMENT COMMITTEE
JULY 22, 2015**

**** NOT APPROVED ****

Committee Members Present: K. LaForge, J. Adams, M. Alger, K. Dirlam, Darwin Fanton, C. Jessup, B. Riehle, T. Ross (Absent: R. Oakerson)

Others Present: D. Healy, T. Miner, C. Santora

Media Present: No media present

Call to Order: The meeting was called to order at approximately 3:05 p.m. by Allegany Affordable Government Committee Chairman Kevin LaForge

Approval of Minutes

A motion was made by Legislator Jessup, seconded by County Administrator Alger, and carried to approve the Consolidation & Efficiencies Ad Hoc Committee minutes of June 24, 2015.

Local Law & Amended Purchasing Policy

Committee members were provided with the proposed amended Local Law authorizing the use of "Best Value" in the competitive bidding process. In addition to the lowest responsible bid purchase option, the proposed amendment to the local law will provide for best value purchasing. Best value purchasing involves using a scoring or rating scale to acquire goods and/or services. Adding this new dimension to the existing procurement and acquisition policy will provide for greater flexibility and accountability. Best value is defined as the basis for awarding all service and technology contracts to the offerer that optimizes quality, cost, and efficiency, among responsive and responsible offerers. Such basis shall be, wherever possible, quantifiable (State Finance Law §163 (1) (j)). County Attorney Tom Miner said that once the local law was passed, we would also amend our procurement purchasing policy by adding language that is taken pretty much out of the local law that would enhance our current purchasing policy. He added that the best value portion is the more critical aspect and we can do the piggybacking portion in a second step. County Treasurer Terri Ross indicated she'd prefer to see both issues added at one time. She added that Superintendent of Public Works Guy James has told her we are the only County that does not allow piggybacking on our bids at this time, although we have the ability to piggyback on others. Mr. Miner said that he would like to work with the Public Works Committee and/or DPW personnel to further amend the policy to allow for piggybacking. He added that whichever way it is done, it will adhere to the various County, State, and Federal laws for piggybacking. He added the language must be specific which is slightly different from simply "tacking" on such a provision to the proposed amended local law. Legislator LaForge said he would like to move the amended Local Law to the special Planning and Economic Development meeting scheduled for Monday, July 27, and then on to Ways & Means, eventually landing on the agenda for the full Board. To that end, a motion was made by Wellsville Town Supervisor Darwin Fanton to proceed with best value and piggybacking with appropriate language allowing other municipal entities to use contracts generated by Allegany County. The motion was seconded by County Administrator Mitch Alger and carried. **Refer to Planning & Economic Development and Ways & Means**

Water & Sewer Efficiencies Discussion in Preparation for Reconvening Stakeholders in the Fall

The discussion centered around the projected dearth of Water and Sewage Treatment Plant Operators that will occur when current operators begin retiring in the near future. This is a topic that has been discussed before. The question remains, how will the municipalities facing this shortage deal with it. The discussion then moved on to whether there should be one common unit to address the need, and if so, should a County-wide Water and Sewer District be created or should the operation be absorbed by the Department of Public Works or the Health Department. Legislator LaForge did not wish for the municipalities to fear a County “takeover.” Legislator LaForge reminded Committee members that at the last meeting, it had been decided to send a letter to the various municipalities (towns and villages) with water and sewage systems inviting them to a session to discuss these issues. The next question would be what benefit the County might offer them to encourage them to participate in a joint venture. The water and sewer study done by the Houghton intern was distributed again. Mr. LaForge noted that the study points out that there will be a critical shortage of water and sewer treatment plant operators. This would be a logical place to begin sharing services among the various water and sewer systems. Legislator LaForge noted that if the municipalities are agreeable to sharing services, perhaps all operations should be joined under one common entity. His suggestion at this time would be to have those operations become a function of either the County’s Department of Health or the Department of Public Works. At this point, it might not be necessary to create a County-wide Water and Sewer District. Placing these operations under a pre-existing County department would be a doable way to begin. Then, based on the size of the system and the need for operators, there would be a fee schedule billed to various systems and districts in the County.

County Planner Kier Dirlam noted that whatever the County comes up with, the municipalities with those systems need to understand that they will continue to see revenues which would make this joint venture less onerous to them. He added, “I suspect we’ll have to sell this thing, so we have to know what we’re selling, so we will need a pretty good “carrot” to sell it.”

County Treasurer Terri Ross suggested a separate Water/Sewer District rather than having the operations become a function of a County Department. Mr. LaForge said he had also entertained that notion, but that is why he wanted to continue the discussion before convening the municipalities. He added that having a County-wide system from the get-go is probably going to be “big and scary” at first and then we might not get as much participation. That’s why he suggested taking this baby step first and then determine the next step. There was some discussion regarding researching how other counties handle this issue. Mr. LaForge noted that Wayne County is similar to Allegany County, and it seems to have a good system going as all but one village participate. However, he said, we can’t compare ourselves to Erie or Monroe Counties. Mr. LaForge said one would think that the critical need would cause municipalities to see the logic in sharing the services. Wellsville Town Supervisor Darwin Fanton suggested that “perhaps we could identify two or three municipalities that have relatively good systems in place already and try to get them to figure out what type of savings they could figure out without great capital expenses and go from there.” Legislator LaForge then said that we would set a framework up so that others can join in the future.

Mr. Dirlam noted that it seems there is some motion to consolidate—Caneadea, Fillmore, and Belfast are still three different entities but are all using the same water service now. He added that even though they are taking baby steps, Alfred and Almond are thinking

about doing some stuff together as are Andover and Wellsville. "I think they're starting to realize they need each other," he added.

Ms. Ross wondered if the County could have a Water Sewer Board and start with asking people to be on the Board and say we need to talk about finding a consolidated way of doing things. Mr. Dirlam said we might have something akin to the Highway Association for beginning discussions and see where that goes.

One of the biggest problems with the current system, said Mr. LaForge, is that each municipality that has a water or sewer operation needs equipment to maintain it. He added that each town that has a water or sewer system has at least a quarter of a million dollars' worth of repair parts sitting on a shelf and that figure may even be higher. He added that most have backhoes, dump trucks, etc. If, he said, we had a couple of maintenance crews in the northern part of the County and in the southern part of the County, and they could arrive just as fast as the current crews could, that would make a real savings there. Consolidating inventory and equipment would be the second phase. Some of the concerns that could crop up might include the fact that there might be a time when municipalities think they won't get their water shut off fast enough, or if they had a leak, it would take forever to address, "but I think it would be overcome easily," he said.

Mr. LaForge went on to say that beyond maintenance districts, if the different water and sewer systems were together, as far as bonding, capital projects, and engineering, there should be economies of scale there, too.

Subsequently, there was some discussion of how the tax cap would affect a shared sewer/water organization. The question arose whether there is any way to set it up so it would be "outside" that tax cap restriction. There was discussion about setting up a Water and Sewer Authority, but it was noted, the State is not giving out any more "authorities." Ms. Ross felt that it would still fall under the cap. The idea of a utility corporation was brought up, as was the suggestion that we come up with a totally different, non-government model. Other brainstorming ideas were brought up by committee members on ways to find financial benefits for the municipalities with sewer and water operations to join together. It was thought that if this joint venture could be set up so it's not subject to the tax cap, that would be the appeal in itself. It was determined that more research should be conducted on other examples where this is being done. Mr. LaForge said he wouldn't mind hardening that data on the treatment plant operations a little further. "I think that's what will get municipalities officials' attention. They may realize they have a looming problem with a shortage of operators, but may not realize that other municipalities in the County are having that same problem. He added that he would like more discussion before we convene in October or November. Legislator Healy suggested looking at NACO (National Association of Counties) to see if there is a better model that exists outside of New York State.

Old Business

Clerk of the Board Brenda Rigby Riehle told Committee members that her office had conducted an inventory of furniture and equipment that is stored on the third floor. She added that the Health Department has decided that anything of theirs can be used by other departments as long as the fixed asset sheets reflect this transfer. She also said that a lot of the items stored upstairs are junk and need to be disposed of. It was noted that the fixed assets needs to be transferred to scrap then to DPW to take care of this.

Good of the Order

Next Meeting Details

The next meeting is scheduled for Wednesday, August 26, 2015, at 3 p.m. in the Legislative Chambers. Legislator LaForge said he will reach out to Dave Edwards and Jamie Hermann for more input on the municipalities' water and sewer systems.

Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 3:53 p.m. following a motion by Mr. Alger, seconded by Ms. Ross, and carried

Respectfully submitted,
Cynthia Santora, Secretary to the Clerk of the Board
Allegany County Board of Legislators