



## MINUTES

### Public Hearing on 2021 Rates, Fees, and Other Charges and Budget Meeting Niagara Falls Water Board December 21, 2020 5:00 PM

Note: Hearing and Meeting held via conference call pursuant to Executive Order 202.1 as extended by 202.79.

#### 1. Attendance and Preliminary Matters

*Chairman Brown called the meeting to order at 5:05 p.m.*

a. Brown   P   Forster   P   Larkin   P   Leffler   P   Kimble   P  

#### 2. Public Hearing

##### a. Introduction by Chairperson

*Chairman Brown states that the board members are appointed by the following city and state elected officials. The board members do not receive any compensation and/or benefits.*

- Patrick Brown (Chairman) – Appointed by Niagara Falls City Council*
- Nicholas Forster – Appointed by Mayor Restaino*
- Colleen Larkin – Appointed by Senator Ortt*
- Gretchen Leffler – Appointed by Governor Cuomo*
- Renae Kimble – Appointed by Assemblyman Ceretto*

*Chairman Brown encourages any member of the public who may be interested in serving on the board, to contact the appointing authorities and express their interest.*

*Chairman Brown notes that the NFWB's 2021 public hearing is being audio recorded and due to the Covid-19 pandemic, the meeting is being conducted via teleconference pursuant to Governor Cuomo's Executive Order.*

*Chairman Brown explains that the purpose of the public hearing is to allow public comment on management's proposed 2021 rate increase. Chairman Brown emphasized*

*it is management's proposal since the board members do not prepare the budget and received necessary budgetary information very late in the year.*

*Chairman Brown adds to improve communication and public input, the NFWB's public hearing is more than just a legal obligation, it gives the public an opportunity to speak beyond satisfying legal requirements.*

*Chairman Brown gave the Director of Financial Services, Kendra Walker an opportunity to speak prior to public comments.*

*Ms. Walker presented the with a power point presentation.*

#### **b. Staff and Board Comments**

*Chairman Brown commented that he has no more say/authority than any other member of the Board. He is a resident of Niagara Falls who was appointed to the Water Board in February 2020 and is not pleased with the 5.5% rate increase proposed by management. Chairman Brown assures the public that he will be working hard to reduce the proposed 5.5% rate increase and will continue to do his best to serve the residents of the city. His main area of concern is to identify and decrease the high percentage of unaccounted-for water, some areas with upwards of 70% loss. This area alone would help to improve revenue and help to control the rates.*

*Mr. Forster notes that Dresher & Malecki has been the rate consult for the NFWB for several years and in 2019 proposed a rate increase for both water and sewer, while the board unanimously was against that proposal, resulting in a 0% rate increase. In 2020, Dresher & Malecki proposed a 5.5% rate increase. Based on a minimum bill of \$106.80, with a 5.5% rate increase, the minimum bill would equate to \$112.76. The rate increase would average on a monthly bill, if the board choses to approve, an additional \$1.96 per month or \$23.48 per year. However, the board is working diligently to reduce the rate increase.*

*Mr. Forster thanked the employees of the NFWB for the outstanding job they do daily.*

*Ms. Kimble states the Board has always worked hard on behalf of the citizens of Niagara Falls. Ms. Kimble explains they will continue to review/modify the budget the best they can. Ms. Kimble notes she is aware with the on-going COVID-19 pandemic, there are a lot of individuals who have lost employment and that any type of rate increase is intolerable.*

*Ms. Larkin states that the NFWB is dealing with a lot of rising costs along with legacy costs that we have no control over, but is working diligently along with the other Board members to ensure the rate for 2021 is as manageable as possible, while continuing to provide safe water for the citizens of Niagara Falls and safe working conditions for the staff.*

*Ms. Leffler explains that as a long-standing board member, the board will continue to work to keep as much of the expenses down as possible. Ms. Leffler states that if the*

*board knew what 2020 was going to bring back in 2019 when a 0% rate increase was adopted, perhaps the board would have proposed a small rate increase to off-set what we would be facing currently. However, the Board, along with everyone, had no way of knowing. COVID-19 has affected everyone, including the WTP and WWTP.*

**c. Public Comments/Oral and Written**

*Mary Lawton spoke to the Board members as a concerned citizen, homeowner and taxpayer who resides on Ontario Ave. Ms. Lawton states that this past year the citizens of Niagara Falls have received an increase in city taxes, school taxes and now garbage fees. County taxes will be increased next year, and now the water fees will also be increasing. Once all the additional increases are tallied, it becomes a large expense for seniors on fixed incomes and young struggling families. Ms. Lawton states that clean and healthy water is essential for all. Ms. Lawton states that half of the population of Niagara Falls has left, leaving behind numerous empty properties with no taxes, fees or water bills being collected. The population left cannot afford to keep up the maintenance of the water and wastewater plants without assistance from NYS. Ms. Lawton encourages the rate payers of Niagara Falls to contact the legislatures and petition that NYS assist with these expenses.*

*Joseph Farago appreciates the opportunity to understand the budget process and would like to obtain a copy of the budget presentation. Mr. Farago questions the minimum bill (13 units), if the citizens of Niagara Falls have zero water consumption during the quarterly billing cycle, does the minimum bill remain in effect? Regarding the 5.5% proposed rate increase, Mr. Farago requests what percentage of the cost of the chemicals, sludge removal and retirement contributes to the proposed rate increase.*

*Nicholas Young is looking for additional transparency from the NFWB regarding where certain monies are being spent.*

*Chairman Brown understands the struggles of individuals and businesses who daily try and get by paying bills which is hard enough to do without being presented with an additional cost such as the 5.5% proposed rate increase. Chairman Brown accepted his role in February 2020 in hopes that his experience as a CPA, with many years of experience with municipal government finance budgeting and accounting, including being a former city controller in the City of Niagara Falls, that he would be able to assist the rate payers and water board operations. Chairman Brown was disappointed that he was kept out of the budget process and had no role in the budget preparation, despite his experience. Chairman Brown notes that the board members received the 2021 proposed budget and the rate consultant's report from the Director of Financial Services unacceptably late, leaving very little time for the public to prepare and for the board to fulfil their fiduciary responsibilities, do their due diligence and analysis in order to make informed decisions. Chairman Brown also explains these are the reasons why the public hearing was held so late. Chairman Brown states the proposed 5.5% rate increase is unacceptable and is a result of the work completed by management along with the rate consultant, not the board members. Chairman Brown states an initial look at the budget, in his opinion, shows minimal thought and/or*

*analysis, incomplete supporting information, and no forward-thinking regarding budget balancing or strategies. The 2020 adopted budget was out of balance and questioned by Chairman Brown at his first NFWB board meeting in February 2020. Chairman Brown notes the 2021 proposed budget is also not balanced. Upon receipt of the proposed 2021 budget, Chairman Brown along with Board members Forster and Larkin, immediately directed then Executive Director Patrick Fama and Director of Financial Services, Kendra Walker, to revisit their proposed budget and report back to the board members with a reduction in expenses by December 7, 2020, of at least 2-2.5% in order to reduce the potential rate increase to 3%; this did not happen. Chairman Brown notes that the union contracts, negotiated by the former Director of Administrative Services along with additional members of management, include set increases and benefits through 2024. Chairman Brown also notes the management contracts with fixed salary increases, which Chairman Brown and board member Larkin attempted to eliminate, in hopes to include salary adjustments and performance-based raises. Chairman Brown explains that the NFWB does not require residency for employment and by law, 2 out of the 5 board members are not required to reside in the City; he disagrees. Chairman Brown states if the employees of the NFWB do not begin to make some concessions, work with management to improve efficiency and reduce cost, they may cost themselves a job/operation, but does not intend that this be considered a threat. Chairman Brown notes that himself, along with board member Forster, aggressively attempted to pursue shared service arrangements between the NFWB and the City; this was not supported and was viewed negatively by board members Kimble and Leffler. Chairman Brown states he is working diligently to reduce the proposed 5.5% rate increase with budget balancing strategies and forward thinking. By doing so, he hopes to be able to develop a financial plan addressing the underlying issues regarding a poorly prepared and untimely budget.*

### **3. Motion to Close Public Hearing and Open Budget Meeting**

*Motion by Mr. Forster and seconded by Ms. Larkin to adjourn the public hearing at 6:02 p.m.*

*Brown\_\_Y\_\_Forster\_\_Y\_\_Larkin\_\_Y\_\_Leffler\_\_Y\_\_Kimble\_\_Y\_\_*

*Motion carried, 5-0.*

### **4. Discussion of Proposed Amendments**

*Chairman Brown states it would be his desire to adjourn the budget meeting and re-schedule for Monday December 28, 2020 at 5:00 p.m. to discuss budget amendments.*

*Mr. Costello states he will provide notice to the public in accordance with the Open Meetings Law.*

**5. Adjournment**

*Motion by Ms. Larkin and seconded by Mr. Forster to adjourn the meeting at 6:04 p.m.*

*Brown \_\_Y\_\_ Forster \_\_Y\_\_ Larkin \_\_Y\_\_ Leffler \_\_Y\_\_ Kimble \_\_Y\_\_*

*Motion carried, 5-0.*