

**PRESENT:** Supervisor Newlin; Councilmembers Bax, Edwards, Johnson and Palmer; Deputy Sup. Elgin; Deputy Attorney Boniello; Finance Officer DiRamio; Building Inspector Masters; WPCO Chief Operator Lockhart; Town Engineer Britton; 3 Press and Clerk Donna Garfinkel

**EXCUSED:** Town Attorney Leone

Supervisor called meeting to order – 5:50 p.m. Newlin welcomed State Senator George Maziarz.

Maziarz thanked the Board for allowing him to speak.

Maziarz said he and the four fire companies are present tonight because of the agreement between the Town of Lewiston, Niagara Power Coalition (NPC) and the New York State Power Authority (NYPA). The four companies represented today were routinely promised that their needs would be met in any final relicensing agreement with the NYPA.

The Host Community Relicensing Settlement Agreement was signed in June 2005. To date, despite massive amounts of hydro-power, despite hundreds of thousands of dollars, not one job has been created as a result of this agreement. Not one greenway project has been completed, approved or even started as a result of this agreement, which is now almost three years old.

In September and October 2007, the four fire companies were included in the Town Power Credit Discount program. In mid-November 2007, the fire companies were striped of this benefit and were told they had to pay it back. The four fire chiefs then approached Maziarz because they felt they were not getting a satisfactory explanation.

The fire companies were made promises that were not lived up to. Lewiston and other members of the NPC have been a feeding ground for lawyers, who have not produced much except legal bills. The legal fees being paid by the NPC average between \$350 - \$550/hour. Since June 2005, almost a million dollars has been paid out. Not to create jobs, not to do any greenway projects, not to fund the fire companies, but to pay lawyers.

It appears the NYPA is trying to reengineer the deal in a way that is detrimental to local communities by issuing the Standing Committee Greenway Protocol. The document cost between \$100,000 - \$200,000 in legal fees to negotiate. It uses words like arbitration, delay, consensus and litigation. It is written by lawyers, for lawyers to feed lawyers.

Maziarz asks the Town Board to disapprove, reject the Standing Committee Greenway Protocol. It is bad for the Town of Lewiston, as was the original agreement. It will only assure that money will be spent, not on greenway projects, but on legal fees.

Maziarz met with Councilman Johnson and the fire companies. At this meeting it was decided to file a formal FOIL request to the Town of Lewiston asking for copies of all legal bills and invoices, separate and apart from the NPC, for which Lewiston individually paid. Lewiston is in the unique position of having paid for attorneys that work for the NPC, and then have outside attorneys that represent the Town in their NPC matters.

Maziarz said a request was submitted, by the four fire chiefs and himself, asking for a detailed listing of all the revenues received through the NPC, by the Town of Lewiston, and expenditures thus far. A letter was received from the Town stating the information would be made available by April 20<sup>th</sup>, as of today the 28<sup>th</sup>, nothing has been heard.

In the original agreement it states clearly that the host communities agree that funds should be expended on capital projects and infrastructure that benefit the general public and promote economic development, public health and safety. There is no one that

provides better public and safety to the residents of the Town of Lewiston than the brave men and women of the fire companies.

The City of Niagara Falls receives, in dollars, just about as much as the Lewiston. Lewiston gets a bit more power, but the City of Niagara Falls, separate and apart from this agreement, got \$26 million for infrastructure improvement. The Town of Lewiston got zero.

It is not the intention of Maziarz or the fire companies to take low cost power allocation away from anyone in Lewiston that is currently receiving it. But they do want to know who else, other than the fire companies, were receiving it and had it taken away.

Maziarz spoke of Alcoa Aluminum, located in Massena, New York. Fifty years ago the power project took land away from Alcoa. The power project has since re-licensed so in return for the land given years ago, Alcoa Aluminum got 478 mg watts of power a year for thirty years. Lewiston gets 6½ mg.

Alcoa has 1,000 employees. St. Mary's Hospital employees 1,300 employees. They were told they would be taken care of in negotiations. They got nothing. Maziarz implores the Board to do something for the hospital.

Maziarz said it may be a good agreement for some, but for the Town of Lewiston it is a disaster. Maziarz is asking the entire Town Board to sit down with the fire companies and negotiate some benefit from this agreement.

All 19 members of the Niagara County legislature unanimously rejected the Standing Committee Greenway Protocol. Maziarz is requesting the Board to do the same.

Maziarz thanked the Town Board for their time.

Newlin thanked Senator Maziarz. Newlin said that was a wide ranging analysis of what happened with the Power Authority negotiations and what we were left with afterward.

Newlin has said repeatedly that he believes the NYPA was trying to re-negotiate a deal that was signed in 2005. That agreement clearly states that greenway projects should move forward, based on an attempt "to strive for consensus". Newlin still supports majority voting.

The NYPA has said in public they don't support majority voting. The Power Authority Board of Trustees strives for consensus but will rest on majority voting when there is a dispute in decisions.

Secondly they want consensus on every decision, and that is what this battle has been. When it comes to the question of legal bills, darn right a lot of money, too much money has been spent.

Newlin and Supervisor Richards, Town of Niagara, have voted against the budgets and have spoken out repeatedly for 2 ½ years about the allocations of legal bills within the Standing Committee. Unfortunately the bills are submitted, paid out. Newlin has spoken out against the process of paying since day one.

The Lewiston Town Board has spoken of the protocol document in the past and there was no support for the version of protocols brought by Maziarz tonight. And it is doubtful there will be tonight.

All members on the Town Board greatly appreciate, admire and respect the service of the fire companies. Lewiston is lucky to have top-notch volunteer fire companies. They are dedicated professionals who give a lot of their time and energy.

If the question is, does Newlin feel the NYPA owes the fire companies of Lewiston more money, he would say "absolutely yes."

The Senator was free and thoughtful with his advice for the Town Board, so Newlin will give some free advice back to the State.

One of the first things Newlin would do, if he was in State government, would be to repeal the specific exemption that authorities, like the NYPA, has from local taxes.

Local residents pay a local tax to fund the fire companies for their protection. The NYPA pays zero on a plant that is assessed for somewhere in the neighborhood of \$1 billion or more. The tax on that alone could pay the entire bill for all Lewiston residents.

Newlin has had on-going discussions with the NYPA and fire companies ever since he became Supervisor in 2004. In 2004, Newlin and the fire chiefs meet with Rich Chase, Executive Vice-President – NYPA, who is responsible for the re-licensing. Chase said directly, “sorry gentleman but fire companies do not fit into the re-licensing. This is a matter of operations and management.”

At that time Newlin asked the fire chiefs if they would like him to represent them in front of the NYPA. Newlin was told no, they would pursue their own deal. It is believed the NYPA is still discussing this with the fire companies.

Newlin said it is a darn shame that one of the few state organizations that runs strictly in the black, the Power Authority, can't come up with the money they owe, rightfully, to the fire companies for their protection.

Maziarz responded.

Maziarz said Newlin is being disingenuous, patronizing and insulting. Newlin negotiated the agreement for four-years and approved every legal bill that came in monthly.

Newlin does a great job of trying to deflect responsibility. Newlin has taken full credit for the agreement for the Town of Lewiston.

Maziarz asked Newlin about the legal bills for Hodgson & Russ.

Newlin told Maziarz that if he were to come to the State Senate, he is sure Maziarz' would let him have the floor, but at this time it is better to avoid back and forth bantering.

Boniello said this is an issue that has plagued the Town Board, and every government in Niagara County that is affected by the Power Authority. There are many besides those listed in the agreement. That is the transmission lines, other utilities that run across these town properties, which are owned by the Power Authority. 17½% of Niagara Falls is owned by the Power Authority and they received not one nickel because of that law. Not only are they exempt from the taxes but from the special assessment.

Senator Maziarz cares about fire companies and the residents of Lewiston. Boniello would ask Maziarz to consider introducing into the Senate a law modifying this to allow at least special assessment for fire, water and other services Lewiston residents subsidize for the NYPA and their properties.

Maziarz asked Newlin how long it was going to take before he could expect the bills from the attorney's hired. They were expected by April 20<sup>th</sup>.

Newlin asked Maziarz to sit down and would appreciate no interruptions. There can be further discussion after the public meeting.

Maziarz wants to meet with the fire companies and the public, just the way it is.

Newlin said he does not come to Albany and present his personal, political agenda in front of that body of government and would appreciate the same courtesy.

Newlin said Maziarz has made some rather nasty accusations and it is unfortunate. Newlin responded to them point by point.

Maziarz remarked that Lewiston is in a unique position to hire outside council, among Power Coalition members. That is not true. Niagara Wheatfield School and the Town of Niagara employee outside council to represent them within Power Coalition meetings.

Newlin finds it curious that Maziarz remained silent when Harris Beach was the lawyers for the Power Coalition. The press can draw their own conclusions as to why that may be. Newlin is not going to get into the politics of personal character assassination. Maziarz has unfortunately, attempted to do that tonight.

Newlin apologized if anyone is bored, but this is a very intricate deal and could go on and on about it. When it feels the Board has been attacked it needs to be addressed.

The Board has always acted in a non-partisan manner and the Board should be commended for that.

The Alcoa deal was a great deal, no doubt. Alcoa is probably the main-driving economic force left in the north country. That area is destitute for economic development. The State and local leadership were terrified about losing Alcoa. There, the State Senator was instrumental in getting the megawatts for this company.

Alcoa has agreed to invest \$300 million back into its plant. It is very hard to compare municipal grants and private grants. Government at times strives to utilize the incentive practice in private development and they did that with Alcoa. It helps to keep the businesses and jobs here.

The Town of Massena, where Alcoa is located, receives approximately \$250,000 - \$300,000 a year. This was what Newlin had to compare when discussing Lewiston.

Newlin never believed the negotiations should be a shake-down of the Power Authority. This needed to be done wisely. So Newlin, with the support of the Board, diverted the saving to the residents directly.

At a meeting about a month ago with the fire companies, Newlin and Johnson told them this is the first time they had heard they had some sort of need for benefits from this agreement.

In regards to high legal bills Newlin states, in his opinion, "We were represented very poorly by Harris Beach to begin with. The current attorney will tell you, chapter and verse, of things he had to collect from Harris Beach, who were billing at an extraordinary high-rate. We hired Nixon & Peabody, unanimous, which is a firm of national reputation, and high expense – no doubt about it. On one side, we are fighting the State of New York – the Power Authority, and on the other side, we are fighting Mark Zito who has one of the top defense lawyers in Buffalo."

Both of those entities have some relationship to Mr. Maziarz. Zito was in Maziarz' employ.

Newlin appreciates Maziarz' direct comments as to what the Town Board could be doing, but maybe it is time to ask State representatives to fight more from what is received from State entities.

Newlin said there is no other city, town or village in the state of New York that has received as much from the Power Authority as Lewiston. The Town receives at least \$1.36 million a year in cash, and another \$2 ¼ million a year in cheap power savings for residents.

In response to Maziarz' comment on Newlin's participation in the licensing process, Newlin states: "I sincerely wish that this person, Mr. Maziarz, who has been deemed in the press and other places as the most powerful political figure in Niagara County for decades, had gotten involved in this re-licensing process earlier on. To be fair to the Senator, he did get involved earlier on. If you go back to meetings of the Power

Coalition he was there in 2000 and maybe 2001. But from when I was elected in 2004 we were in the fourth quarter with two minutes left, because that deal was signed within 18 months. Mr. Maziarz did not make himself present. That is unfortunate for all of us, I wish he had. He is a very effective voice, I will give him that. But he didn't, so it was up to Lewiston and small towns like Niagara and small school districts to fight and claw as hard as we could. You know what the Power Authority told us, "You better not ask for so much, because if you ask for too much cheap power and too much money from us, we will have to jack up the rates we are charging the few businesses that are still here in Niagara County."

In response to Maziarz' comment alleging nefarious activities in regards to electoral policies. Newlin can assure Lewiston that is "absolutely untrue". All four fire companies did receive the power discount the first two months of the program. The power credit program is not administered by the Town, but by National Grid. National Grid is an international, huge multi-corporation. If the Senator or anyone believes that Newlin has that kind of swing, to call up National Grid, and tell them to turn on power for two months then off, to anyone, you are diluting yourself.

National Grid made a mistake. They did not notify Newlin, the fire companies did in November. Newlin said "To think I can maneuver National Grid into the timing of discounts is about as cheap of a political shot as you can make. We have heard the Senator make that tonight, unfortunately."

"It has been a matter of public discussion, because some of the press has asked me about this, as to whether or not I would consider being a candidate for my party for the State Senate. I know the Senator is aware of that as well, and I have to wonder why he chose the Town of Lewiston, when there are seven other entities, City of Niagara Falls, County of Niagara, Town of Niagara, the Niagara Wheatfield School District, Lewiston-Porter School District and the City School district. Why he chose this menu to line up fire trucks in front of our building and call the press to come here. Does he ask the County of Niagara and Tom Beilien how much money they are giving for their public safety to the Sheriff's Dept. or how much are you giving to Jim Volkosh who runs the County Emergency Response Unit. I find it curious; I leave others to draw conclusions on that."

Newlin did not want this to continue any longer.

Maziarz asked when he can expect the legal fee FOIL to be done.

Newlin said the Town Attorneys have a concern with the request. Maziarz use to employ Mr. Zito. The Power Coalition is being sued by Mr. Zito. By FOILING the request of Town lawyer bills, Maziarz, the attorneys fear, is seeking to look at the kind of legal strategies the Town is employing against defending that law suit. The Town lawyers have said it would be foolish to turn those legal bills over to anyone.

**Edwards MOVED to recess the meeting, Seconded by Palmer and Carried Unan.**  
(6:25 p.m.)

Respectfully Transcriber and Submitted by:

Donna Garfinkel  
Deputy Town Clerk