

Meeting Minutes for Revenue Advisory Committee Meeting

Date: Tuesday, February 13, 2024

Location: Village Hall

Time: 7:00 PM

Committee Members present:

Alex Funciello (Chairperson)

Bob Cavanaugh (Village Liaison)

Richard Annis

Paul Farnan

Pete Martin

Kevin Dillon

Law Ryan

Guest:

None

Meeting Agenda:

1. Call to Order:

- Meeting called to order at 6:55 PM
- All committee members present

2. Pledge to the Flag:

Completed

3. Meeting minutes from January 30, 2024 meeting:

- Motion by Pete to accept the meeting minutes for January 30, 2024.
- Motion seconded by Alex.
- No discussion
- All in favor – all Ayes.

4. Old Business:

- It was observed that the Village website still had a least one inaccurate auto-transcribed meeting minutes that needs to be taken down.

- **ACTION ITEM:** Alex to summarize previous meeting minutes that have audio recordings available.

Alex presented a letter for committee review. Letter highlights the committee's recommendations for the expenses associated with the John Street Tower repairs. Summary of recommendations:

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- Bond to be used to pay for repairs, 20-year term based on life span of repairs.
- Bond to be paid via a separate charge on the user's water bill.
- Capital improvement charge to be proportional to billed water usage.
- Committee's next steps is to determine payment rate structure. Anticipate final report in March 2024.

- Motion by Alex to accept letter as written to Board of Trustees.
- Motion seconded by Bob.
- No further discussion.
- All in favor – all Ayes.

5. New Business:

Discussion on setting new base rates for In-Village and Out-Village:

Law and Alex commented that data from previous meeting identified that the total annual water expenses was calculated to be \$519,760, of which the In-Village expenses is \$419,326. The annual revenue from In-Village customers is \$347,740, therefore, they are not being charged enough to cover their water expenses. The gap is \$71,586 that is in effect being subsidized by Village general fund. The annual cost for In-Village customers would need to increase by \$40.00 ($\$71,586 / 1790$ In-Village customers) to cover this expense gap. This results in a minimum In-Village water rate increase from \$65.32 to \$85.32 for 30,000 gallons in 6-month billing period. While this is a significant increase, the rate is justified based on the following local water rates and analysis:

- Significant increase in Village chemical costs since 2021 have not been adjusted for in water rates.
- Heritage Springs cost of \$223.04 (of 30k gallons/6 months) is competitive water rate for Town of Milton and current In-Village water rate of \$65.32 is 29% of this competitive rate. An increase to \$85.32 would be 38% of this competitive rate. This \$20 increase equates to \$3.33 per month cost increase while still providing a substantial In-Village benefit of reduced water costs.
- NY State and National Comparable Water Rates data was previously provided to the committee by Liz Kormos. NYS monthly average water cost is \$50.81 for 12,000 gallons (0.0004234 \$/gal.). The lowest monthly cost presented was \$20.18 for Town of Hempstead, which is equivalent to \$121.08 for 6 months (it was noted that system expenses likely funded by assessments so rate that covers all expenses would be greater than this amount).
- Competitive rate for 6 months water service (30k gallons) in this area is \$223.04 (Heritage Springs in Town of Milton) so an In-Village rate of \$111.52 would still be a 50% discount to In-Village residents. This would allow for almost all water expenses to be covered by In-Village revenue such that Out-Village water revenue can be used for water infrastructure and general

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fund. In addition, an In-Village rate of \$111.52 is still much lower than NYS average and other similar municipalities (e.g. Stillwater is \$165.00 for 30k gallons for 6 months).

- The In-Village water rate of \$65.32 (was \$62.21 prior to 6/1/2023) for 30,000 gallons for 6 months has been extremely low for many years and was in effect subsidized by Village taxes via Out-Village water revenue.

Water Provider		Rate per 1,000 gal.	Cost for 30k gal.
Ballston Spa	In-Village	\$2.18	\$65.32
Ballston Spa	Out-Village	\$6.53	\$195.96
Stillwater	In-Village	\$5.50	\$165.00
Stillwater	Out-Village	\$8.25	\$247.50
Heritage Springs	All customers	\$9.86 first 9k gal. then \$3.80 per 1k gal.	\$223.04

For Out-Village customers the current cost is \$195.96 (for 30,000 gallons per 6 months) as compared to \$223.04 for Heritage Springs. Any base rate increase up to this amount would be reasonable taking into account that the rate for additional household water use range (30-50k gallons) should be set independently and be competitive. The rate structure for additional gallons used above 30k needs to be discussed and next meeting. Target points for Out-Village customer's base rate is \$209.50 (half-way between \$223.04 and \$195.96) and \$215.96 (\$20 increase to current rate, same as proposed for In-Village customers).

Pete expressed concerns that even raising the In-Village base rate \$20.00 to \$85.32 would be a significant challenge to In-Village residents who are struggling financially given inflationary economy. He suggested a stepped approach to increasing the base rate 12% per year until equitable rate is achieved. Since this was a discussion, no vote was taken at this time to change the water rates.

6. Public Comment:

Liz Kormos (Village resident but address not provided)

- Shorter time frame for price increases.
- Wants to start at lower increment for minimum water gallons, i.e. less than 30,000 gallons.
- Make sure cost charged to larger users (using most water volume) is comparable to larger users in other water providers.
- Commented that we need to add \$170,000 per year for bond payment (per Frank Rossi)
- Does not understand/agree with the committee's discussion on In-Village users revenue paying for the water expenses such that Out-Village user's revenue to be available as water infrastructure/general fund revenue.

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7. Action to Bring to the Village Board of Trustees:

Alex to send approved letter to the Village Board of Trustees.

8. Date and Time of Next Meeting:

Next meeting scheduled for Tuesday, February 27, 2024 at 7:00 PM at Village Hall.

9. Adjournment:

Motion to adjourn meeting by Paul, seconded by Bob

All in favor – all Ayes.

Meeting adjourned at 8:11 PM.

Respectfully submitted by Law Ryan