

Meeting Minutes for Revenue Advisory Committee Meeting

Date: Tuesday, March 19, 2024

Location: Village Hall

Time: 7:00 PM

Committee Members present:

Alex Funciello (Chairperson)

Bob Cavanaugh (Village Liaison)

Paul Farnan

Pete Martin

Law Ryan

Guest:

Mayor Frank Rossi

Meeting Agenda:

1. Call to Order:

- Meeting called to order at 7:00 PM
- Five (5) of the seven (7) committee members were present so a voting quorum was satisfied.

2. Pledge to the Flag:

Completed

3. Meeting minutes from February 27, 2024 meeting:

- Motion by Alex to accept the meeting minutes for February 27, 2024.
- Motion seconded by Law.
- During discussion Paul just wanted it clearly stated that Bob is now a voting on the committee in addition to being a Village liaison. This is confirmed since Bob is listed under the "Committee Members present" section.
- All in favor – all (five) Ayes.

4. Old Business:

A. 3-1 Ratio Billing (for Outside-Village users):

It was discussed in previous meetings that Outside-Village water rates should be competitive to neighboring water providers, specifically Heritage Springs that also serves customers in Milton. Heritage Springs cost for 30,000 gallons in six (6) months is \$223.04.

Paul discussed that Heritage Springs sewer will lose money and will likely need to raise water rates. Mill Town project [~500 unit apartment complex planned north of Hannaford plaza] will be minimum rate users. Asked what is the purpose of a Water District (WD)? Mayor Rossi

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explained that the WD collects money from users for infrastructure repair (e.g. water main) and if the Village performed the work then the Village would bill the WD for the repairs.

Law discussed de-coupling the Outside-Village user's rate as a 3-times the In-Village and showed charts of 5% increase in In-Village rates would quickly increase Outside-Village rates higher than Heritage Springs and would be competitive. A lower percentage rate of 2% would be competitive over the planned 5 five year period.

Alex and Mayor Rossi discussed rates for Saratoga but it was agreed their rate structure was not easy to understand and compare since they did not base rates on gallons of water delivered (cubic-feet delivered). It also was observed that their rate structure (cost) increased and then at a certain point started to decrease. Also discussed was the Geyser Crest is treated different than the City of Saratoga Springs in regards to their water rates.

A lot of discussion on this topic of the 3-times rate structure for Outside-Village users has been had over many meetings. Ultimately, just as is the case for the In-Village water rates, this is determined and agreed upon by the Village Board, i.e. there is nothing in code or policy that says the Outside-Village rate HAS to be 3-times the In-Village rate, it just has been that way in practice. At the moment (even with the proposed rate increases) the 3-times rate structure is competitive with Heritage Springs. As Village water rates are adjusted in future years the 3-times structure will need to be re-visited in lieu of a determined competitive rate that is independent of the In-Village rate.

B. Bond Tower for 20 vs. 30 Years:

Previous discussion of this topic by the RAC is to bond the John Street Tower work for 20 years since that is more in alignment with the life-span of the repairs. At the last meeting a 30 year bond was proposed by Mayor Rossi since scope of work was expanded to include the other two water towers. Consensus discussion (no vote) by the RAC is that the length of the bond term can be decision that is discussed and determined by the Village Board.

C. Setup of Water Fund Balance (for repairs/maintenance):

No further discussion on this topic. Previous meeting discussed the Village setting up two Water Reserve Funds; System Wide and Village Only.

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5. New Business:

Gradual 5-year Water rate increase:

Previous meetings discussed the need to increase In-Village rates to cover the water expenses that are currently being subsidized by the Village's General Fund. The gradual annual water rate increases are in lieu of a warranted spike in rates (i.e. \$20.00 increase to \$85.32, see previous meeting minutes). The proposed percentage rate increases were discussed as feasible to get rates where they need to be (e.g. \$85.21 by 01-JUN-2027), while also giving time for other water projects to come on-line (e.g. Mill Town) that may allow future rate increases to cease.

Date	Annual % Increase
01-JUN-2024	8.0%
01-JUN-2025	7.0%
01-JUN-2026	6.5%
01-JUN-2027	6.0%
01-JUN-2028	6.0%

Next meeting need to discuss the rate structure for the additional gallons used (cost per 1,000 gallons) for the different usage ranges, i.e. 30k-50k, 50k-100k, 100k-150k, 150k-200k and >200k.

6. Public Comment:

None.

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

None at this time.

8. Date and Time of Next Meeting:

Tuesday, March 26, 2024 at 7:00 PM at Village Hall.

9. Adjournment:

Motion to adjourn meeting by Alex, seconded by Bob

All in favor – all (five) Ayes.

Meeting adjourned at 8:43 PM.

Respectfully submitted by Law Ryan