

## Meeting Minutes for Revenue Advisory Committee Meeting

Date: Tuesday, January 30, 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:

Frank Rossi (Mayor)

### Meeting Agenda:

#### 1. Call to Order:

- Meeting called to order at 7:00 PM
- All committee members present

#### 2. Pledge to the Flag:

Completed

#### 3. Meeting minutes from January 11, 2024 meeting:

- Pete commented on the meeting minutes (text) that was posted on the Village website. The text was created by audio-to-text app and it contains grossly inaccurate information that makes no sense.
- All agreed that text is to be taken down from website and audio can be uploaded.
- Audio was being recorded for current meeting (January 30, 2024) but also manual minutes was being recorded by Law Ryan.

#### 4. New Business:

- Law communicated for awareness to the committee that a new development project is being considered on the west side of Route 50 near the bottom of the Iron Springs development. Two commercial buildings and a small apartment complex. Town of Milton having meeting in February to discuss.
- Potential new water customers. Bob stated the Village does have infrastructure in that area to support this project.

## Meeting Minutes for Revenue Advisory Committee Meeting

Date: Tuesday, January 30, 2024

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### 5. Old Business:

- Discussion on approximate 30% loss in water transmission from the system. Alex provided the following data:

Year	Water Produced	Water Used (billed)	Utilization
2023	283,115,254	205,415,576	73%
2022	273,944,104	182,574,669	67%
2021	300,399,771	212,874,425	70%
2020	267,738,896	204,895,044	77%

- Bob commented that John Street pumps were leaking at a high rate. Also mentioned that large structure fires are rare, so water loss is not likely due to fire department use. Water hydrants are flushed once a year, used to do it twice a year.

- How to pay for the debt service of the John Street tower repairs/maintenance was discussed at last meeting. The two options are “as billed” via water usage and Equivalent Dwelling Unit (EDU) method. The committee took a vote with 4 members in favor of “as billed” water usage and one vote in favor of EDU method (members Law and Kevin absent from meeting).

- Law and Kevin provided input that they did not like the EDU method and were in favor for how the majority of the committee voted.

- **ACTION ITEM:** Alex to send communication to the Village Board of the committee’s recommendation of “as billed” water usage for how to bill water users for debt service.

- Bob provided a spreadsheet of Village expenses for Water department for previous 3 years (05/31/2023, 05/31/2022 and 05/31/2021); see attached. Discussion that line item 83404 – Water Transportation and Distribution – Contractual pertains in part to chemicals and utility costs. Large increase from \$311,853 (05/31/2021) to \$493,886 (05/31/2022) was mainly due to increase in chemical/utility costs affecting entire economy.

- Previous meeting discussions have focused on intent of water cost (billed) to In-Village residents should cover ALL water expenses such that water cost (billed) to Out-Village customers is Village revenue.

- Per spreadsheet, water expenses for 05/31/2023 summed to be \$477,860. Additional Village labor expenses estimated to be \$41,900 per year so that total water expenses calculated to be \$519,760. Bob had commented that this total amount was the cost to provide water to both In-Village and Out-Village customers, such that the cost to cover In-Village residents only would be lower due to less chemicals and utilities needed.

- Analysis of water volume usage and costs for FY2022 was previously provided by Law. Data was broken down by In-Village and Out-Village customers and showed the annual usage volume (gallons) to be 62% In-Village and 38% Out-Village.

# Meeting Minutes for Revenue Advisory Committee Meeting

Date: Tuesday, January 30, 2024

Location: Village Hall

Time: 7:00 PM

The table below shows the estimated reduced water expenses for In-Village only, cost of \$419,326. This is the minimum target amount that In-Village customers revenue should cover.

	In & Out-Village		In-Village only
Water	5/31/2023		5/31/2023
83101, Water Admin - Personal Service	11,750		11,750
83401, WTD - Personal	201,811		201,811
83404, WTD - Contractual (Chem/Util.)	264,299	62%	163,865
	477,860		377,426
Additional Village Labor estimate	41,900		41,900
<b>Total Water Expenses</b>	<b>\$519,760</b>		<b>\$419,326</b>

Total cost billed to In-Village residents for FY2022 was \$347,740 such that additional revenue needed to cover total water expenses of \$419,326 is calculated to be \$71,586 (\$419,326 – \$347,740). Therefore, for the 1,790 In-Village customers, the annual water cost would need to increase by a minimum of \$40.00 (\$71,586 / 1,790), or \$20.00 for each 6-month billing cycle. Current In-Village water rate is \$65.32 (\$62.21 + 5% increase approved by Board beginning 6/1/2023), so estimated minimum In-Village water rate to cover water expenses is \$85.32 (\$65.32 + \$20.00). Chart below shows cost comparison for In-Village rates to cover current total water expenses.

	In & Out-Village	In-Village only
<b>Total Water Expenses</b>	<b>\$519,760</b>	<b>\$419,326</b>
In-Village water cost (FY2022 billed)	347,740	347,740
Additional revenue needed	172,020	71,586
# of In-Village customers	1790	1790
Cost increase per customer (annual)	96.10	40.00
Cost increase per customer (billing cycle)	48.05	20.00
New Water rates per 6/1/2023	65.32	65.32
Range of water rates to cover expenses	<b>\$113.37</b>	<b>\$85.32</b>
Cost per 1,000 gallons	\$3.78	\$2.84

Based on this analysis, the proposed water rate for In-Village customers that would cover current expenses would range from \$85.32 to \$113.37 (for 30,000 gallons per 6-month billing cycle).

Paul discussed that if we left the costs the same the system has enough money to cover the \$519,760 expenses plus another 300-400k excess (per year) that could fund the debt service. Position against this proposal was that the 300-400k excess would not be available to general

## Meeting Minutes for Revenue Advisory Committee Meeting

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fund as it has been for previous years. Village would need to assess if reduction in this general fund money would result in increase of Village taxes.

Paul and Bob suggested that \$326 would be estimated cost of 50,000 gallons for Out-Village customers. No discussion on how this was estimated.

Discussion around concern for excess usage debt service payments not being collected for customers that do not report water usage to Village. Bob commented that they would get caught up on these payments eventually, i.e.:

- 1<sup>st</sup> billing cycle: Charge cost for 30k gallons usage + \$50.00 no reporting fee + Debt service payment for 30k gallons usage.

- 2<sup>nd</sup> billing cycle: Charge cost for 30k gallons usage + \$50.00 no reporting fee + Debt service payment for 30k gallons usage.

- 3<sup>rd</sup> billing cycle: Charge cost for 30k gallons usage + \$100.00 meter reading fee + Debt service payment for 30k gallons usage PLUS excess usage AND Debt service excess usage for all three billing cycles.

### 6. Public Comment:

None

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

Alex to send communication to the Village Board of the committee's recommendation of "as billed" water usage for how to bill water users for debt service.

### 8. Date and Time of Next Meeting:

Next meeting scheduled for Tuesday, February 13, 2024 at 7:00 PM at Village Hall.

### 9. Adjournment:

Motion to adjourn meeting by Paul, seconded by Pete

All in favor – Ayes.

Meeting adjourned at 8:13 PM.