

Meeting Minutes for Revenue Advisory Committee Meeting

Date: Tuesday, March 26, 2024

Location: Village Hall

Time: 7:00 PM

Committee Members present:

Alex Funicello (Chairperson)

Bob Cavanaugh (Village Liaison)

Paul Farnan

Pete Martin

Richard Annis

Law Ryan

Guest:

Mayor Frank Rossi

Meeting Agenda:

1. Call to Order:

- Meeting called to order at 7:02 PM

- Six (6) of the seven (7) committee members were present so a voting quorum was satisfied.

2. Pledge to the Flag:

Completed

3. Meeting minutes from March 19, 2024 meeting:

- Motion by Pete to accept the meeting minutes for March 19, 2024.

- Motion seconded by Paul.

- No discussion.

- All in favor – all (six) Ayes.

4. Old Business:

A. Discussion on new rates and outside Village rates – Bob Cavanaugh has a new rate formula:

Bob provided rate sheets with data put in for five (5) years using annual percentage increases discussed at previous committee meeting. The rate structure for the minimum use and the 5 additional water volume usage ranges was not changed from current rates; just had the annual percentage increase applied to each rate (e.g. 8% increase for 01-JUN-2024).

Pete and Paul provided a water rate sheet from the Town of Ballston stating the “Outside-district” user’s water rates are \$10.25 per 1000 gallons (\$15 minimum). Law commented that

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this equals \$307.50 for 30,000 gallons, which is much higher than Ballston Spa Outside users cost (\$195.96) and even Heritage Springs cost for same usage (\$223.04). Other information provided was that In-district rates for Town of Ballston should remain unchanged in 2024, while Outside-district rates should increase 10% to \$11.25 per 1,000 gallons to adjust for new higher property tax rates required of In-district users.

Paul commented that he liked the spreadsheet that Bob came up with, i.e. keep all current rates the same and just apply the annual percentage rate increases to these rates.

Law proposed a change to the rate structure for the additional water usage ranges for both IN-Village and Out-Village.

For IN-Village:

The proposition was to broaden the water rates for each range, increasing each range by 1%.

Table below references the proposed 8% increase in the minimum usage of 30,000 gallons as of 01-JUN-2024 (i.e. current base rate of $\$65.32 \times 8\% = \70.55):

		Calculations	New Proposed Rate	Current rate with 8% increase
Min (0-30k)		\$70.55	\$70.55	\$70.55
30k-50k		$70.55/30 = \$2.34$	\$2.34	\$2.34
50k-100k	3.0%	$\$2.35 \times 1.03 = \2.42	\$2.42	\$2.39
100k-150k	4.0%	$\$2.42 \times 1.04 = \2.52	\$2.52	\$2.44
150k-200k	5.0%	$\$2.52 \times 1.05 = \2.64	\$2.64	\$2.52
>200k	6.0%	$\$2.64 \times 1.06 = \2.80	\$2.80	\$2.61

For Out-Village:

The proposition was also to broaden the water rates for each range, with the exception of the 30k-50k range which has been discussed as being the “family” usage range. Law has repeatedly commented that this is the range that is adversely affected the most for additional water usage by the rate calculation of 3-times the IN-Village base rate divided by 30; i.e. $\$70.55 \times 3 = \211.64 , $\$211.64 / 30 = \7.04 per 1,000 gallons. In order to provide relief to Out-Village “family” users (30k-50k), Law recommended a rate for this range to be \$3.80 per 1,000 gallons to be in alignment with Heritage Springs water rate for additional usage. This was proposed in conjunction with the increase in base rate for Out-Village users from \$195.96 to \$211.64. The New Proposed Rate would be balanced by charging higher volume users at an increased rate. The current rates with the 8% increase proposed for 01-JUN-2024 is listed in both charts for reference.

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		Calculations	New Proposed Rate	Current rate with 8% increase
Min (0-30k)		\$211.64	\$211.64	\$211.64
30k-50k		\$3.80	\$3.80	7.04
50k-100k	75.0%	$\$3.80 \times 1.75 = \6.65	\$6.65	7.15
100k-150k	10.0%	$\$6.65 \times 1.10 = \7.32	\$7.32	7.31
150k-200k	5.0%	$\$7.32 \times 1.05 = \7.68	\$7.68	7.55
>200k	5.0%	$\$7.68 \times 1.05 = \8.06	\$8.06	7.83

Law proposed a motion for the rate structure presented above, but there was no second for the motion. Discussion was around the disagreement that there should be a rate relief for the 30k-50k range for Out-Village users. Alex had spreadsheet of sample usage/cost data and stated that the new proposed rates would bring in more total revenue for the Village. Motion died on the table.

Paul proposed a motion for the rate structure to stay the same but with the 8% increase to base rate and the existing rates for each range (i.e. rate sheet that Bob presented above). Motion was seconded by Pete.

During discussion Law commented that by not broadening the rates between each of the ranges the Village is leaving money on the table by not charging higher volume users an increased rate. Paul expressed his opinion that he was OK with leaving money on the table. Law commented that we are the Revenue Advisory Committee (RAC) and we should not be leaving money on the table. Law also commented his frustration in the many hours/months the RAC has been meeting to just apply an across the board 8% increase. The work and analysis was needed to get to this point and support the position being presented, but the end result being that we could have done more. Vote taken:

Ayes: Three (3), Paul, Pete and Bob

Nays: Three (3), Law, Alex and Rick

Motion does not pass.

Alex brought up discussion on lowering the minimum usage/cost from 30,000 gallons to 20,000 gallons. Paul commented that it is not worth the effort to adjust the cost structure and the minimum usage/cost is there for a reason – to provide stability to the maintain the water system. Paul and Law agree to keep the minimum usage/cost at 30,000 gallons.

Bob stated that he fields a lot of calls/complaints from water users regarding the cost of their water bills but they are focused on the high end users and not from users that do not exceed the minimum usage.

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Paul brought up the bond for discussion and the need to take money out of the general fund. Paul and Mayor Rossi talking about the money going into the fund. The water rate increase percentage minus the inflation rate (3.25%) will be set aside each year.

Paul does not like the contract with the tower maintenance company that extra funds are kept in their bank account, want it kept in Village bank account. Mayor Rossi discussed use of an escrow account to protect against bankruptcy. The Village does not get to keep the interest on the money since that is used to pay for warranty costs.

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:

Tentatively set as Wednesday, April 3, 2024 at 7:00 PM at Village Hall.

9. Adjournment:

Motion to adjourn meeting by Pete, seconded by Alex

All in favor – all (six) Ayes.

Meeting adjourned at 8:50 PM.

Respectfully submitted by Law Ryan