

VILLAGE BOARD OPERATIONS MEETING MINUTES
OCTOBER 22, 2018
VILLAGE HALL
9:00 A.M.

PRESENT: Mayor Hubbard, Trustees Dove, Sennett, and Stokes-Cawley, DMO Harty

Water Rates – Relative to the Water Rate Analysis that she prepared last month, DMO Harty said the Municipal Board will discuss it in detail at their meeting tomorrow (Tuesday, October 23, 2018) evening. DMO Harty said preliminary comments are as follows:

- Municipal Board (MB) Chair McQuaid requested information on the fund balance.
- MB Commissioner Blackler commented that it is not necessarily fair to allocate the total project to the Town as they only benefit from the water mains – DMO Harty said she is working on that. The remaining amount would be 55% Town.
- MB Commissioner Rhoads asked to be given a couple of different options.
- Mayor Hubbard's comment was to look at what the rates would look like.

In reviewing the Water Fund Rate Analysis, the following was noted:

- FYE '19 Operational Expenses of 396,068 paid by water rates.
 - Labor not yet built in.
 - Includes materials, water meters, maintenance, etc.
- 2000 Water Improvement Project Bond debt falling off in 2 years.
- UV cost pulled out because the Town chose a different payment plan.
- Town Supervisor Aaron prefers 2018 Water Main cost be included in water rates.
- FYE 2020 Operational Budget Total of \$666,539 includes the initial debt payment for the 2018 Water Main project. DMO Harty said Fiscal Advisors John Shehadi suggested using the fund balance over the next five years – raise water rates slowly by using cash-on-hand. Mayor Hubbard said he does not think that is a good move – running too tight on the project with no contingency. He said the question is what are we going to charge the Town – the Village will pick up the balance. We will get “x” amount from the Town; the Village will be left with the rest. Mayor Hubbard said we are entering into a \$3.5 million project with no contingency. We could have a lot of serious issues come up. DMO Harty agreed. For example, in FYE 2020, if there is a 34% increase from 2019 to 2020, but we “blow through” all the fund balance and have no fund balance, we'd have to look at another 14% increase. Instead of projecting to 2024, we could look at just 2020 and soften the increase.

Relative to Town water rates, the following was noted:

- Find out how much the Town will find acceptable.
- DMO Harty – important to see the facts; negotiate with them.
- Trustee Sennett – the Town already charges their customers more because they have operating expenses to cover.
- Mayor Hubbard – we need a consensus from the Municipal Board on what is reasonable to charge the Town. Commissioner Blackler's comment could be seen as consensus.
- Mayor Hubbard – rather raise their rates once.
- Trustee Dove – the Town wants the project cost built into the rates.
- DMO Harty – what is the policy on water rates – wants the Municipal Board to weigh in; should rates be looked at annually; percentages are always shifting.
- Mayor Hubbard – fire contract is now 5-years with percentages changing annually; have a 5-year commitment that moves the percentages automatically; don't want to reinvent the wheel.
- Trustee Stokes-Cawley – do we know what they charge? Mayor Hubbard & DMO Harty – not our business and it doesn't matter.

- DMO Harty – would like flat rate to cover largest amount of debt – impact would affect smaller customer more.
- Relative to page 4 of the water rate analysis – DMO Harty said our rate will always be higher because of lost water. Mayor Hubbard noted that the inverse is the same for the Town – amount that they buy is more than they bill for. He added that it is a compelling page. DMO Harty recognized that we all are experiencing the same.
- DMO Harty – as suggested, we'll look at year one on the water rate analysis – not 5 years. Mayor Hubbard said the advantage of one year is that we'll know about the contract and where we end up. We can consider the debt schedule options, such as how far we take the loan. When we roll to long-term debt, we'll look at it a year from now. We will start paying on the B.A.N. in November 2019.
- DMO Harty – she will also look back at fund balances for the Municipal Board and see where expenses and revenues are trending.

It was discussed that, subsequent to the Municipal Board Meeting, another small group meeting with the Town should be scheduled. The previous small group meeting included DMO Harty, MB Chair McQuaid, Trustees Dove and Stokes-Cawley for the Village, and for the Town, Supervisor Aaron, Budget Officer Winkelman, Highway Superintendent Wellington, and Water Dept. Joe Dwyer.

DMO Harty said she will be doing a Power Point Presentation for the Municipal Board tomorrow night and all are welcome to attend. Trustee Stokes-Cawley confirmed that she plans to be there. Municipal Board Meetings start at 6 PM.

Adjournment – The Operations Meeting adjourned at 9:55 a.m.


Patty Couch, Village Admin./Clerk-Treasurer